

ISIGrowth meets Civil Society

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What is ETUI?

Research/education/training, ETUC,
support, reinforce, stimulate,
analysis, critical commentary, EU economic
policies,
alternative, mostly from critique,

Current situation

growth path innovation fuelled, env sustainable and socially inclusive?

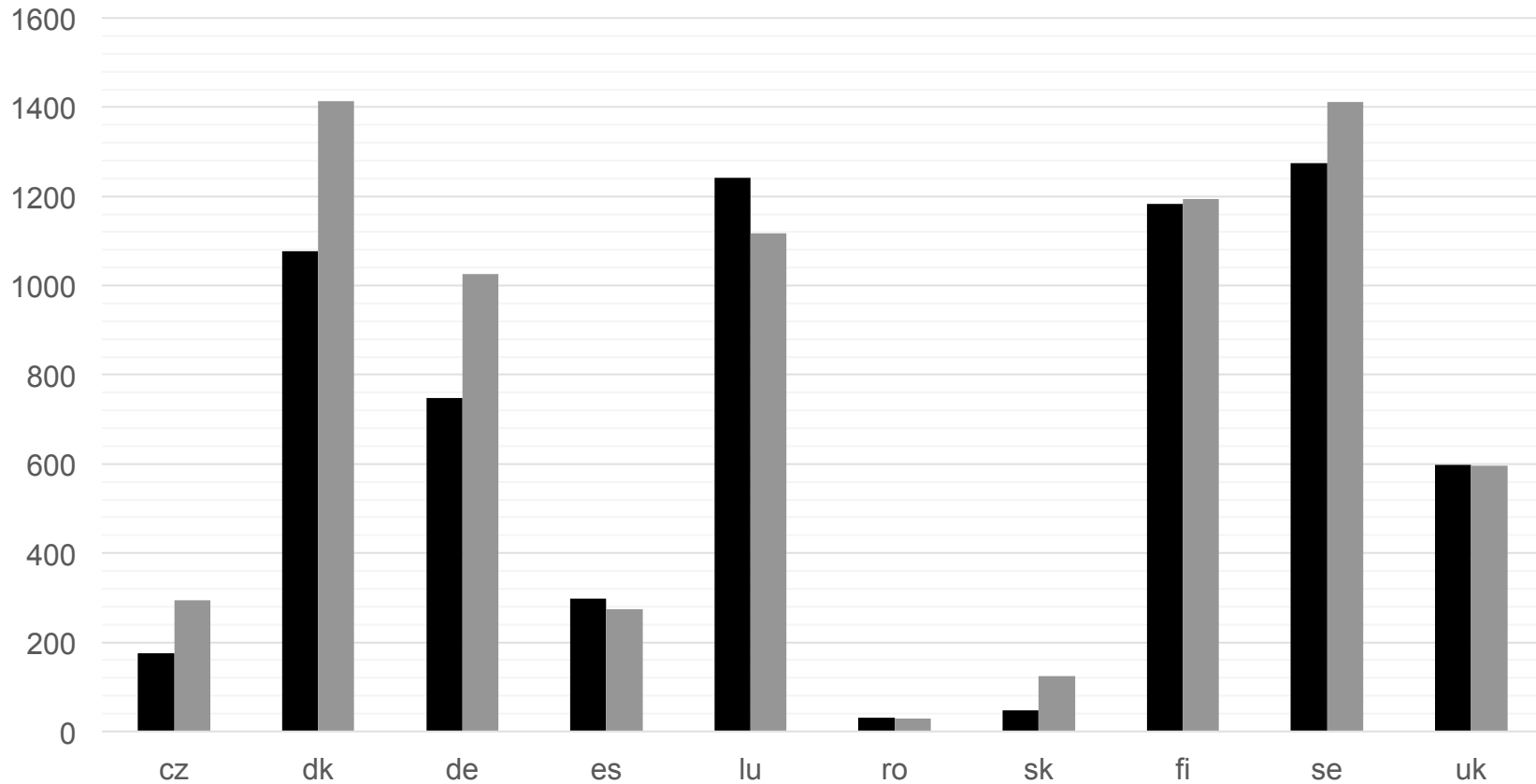
austerity and internal devaluation? Failed.

slow, hesitant recovery, uneven, not socially inclusive, more 'precarious' employment,

between countries, big gaps, some increase, some decrease, no clear trend to reduce divergences.

Per capita spending on R&D

■ 2007 ■ 2014



Reducing the divergences - investment

Investment, biggest fall in EU GDP, not recovered, no shortage of financial resources,

Juncker plan; small guarantee to achieve inv increase of 2.4% of GDP 3 years, 59 approved, will enable EIB to maintain levels of past few years, no more, just a guarantee,

going to higher income countries in least difficulty, blocked by fiscal rules, bias to renewable energy, no stimulus, private inv held back by demand.

Reducing divergences, public spending

Investment pointless without current spending, (schools, research etc), and blocked by fiscal rules (EIB uses in assessments),

narrow definition of investment (GDP measures including more),

budget rules of 3% and 60%, no scientific basis, kept to by very few, strangling growth prospects,

find ways to be flexible? fundamental change?

Reducing divergences, need a wage increase

Low-wage problems – low demand, no access to credit, social cohesion,

wage divergences between countries, enormous and justified by myth that wage increases are only possible after productivity increases, competitiveness suffers...

PPP figures narrow the gap, but not what is used.

Labour cost levels, euros

	2000	2008	2015
cz	3.7	9.2	9.9
de	24.6	27.9	32.2
ei	19.7	28.9	30.0
es	14.3	19.4	21.2
ro	1.5	4.2	5.0
sk	2.8	7.3	10.0

big divergences – same work?

Huge divergences, nominal prices, big catch-up, due to wage rises and revaluations, stops from 2008 with austerity approach and fear that ULC indicates competitiveness,

but same work for teacher, bus driver etc, outsourcing, producing components, cheaper products, at lower wage than in Germany, getting as good a product,

scope for wage rise, only danger is MNC moves elsewhere, but wages often small share.

Full alternative includes?

Relax fiscal rules, serious investment plan with funding, broad definition of investment, wage rises for low-paid across EU, not a complete solution; other institutional conditions needed for innovation/growth/high quality activities and products, simply more spending on education – they find no work at going wages, add higher wages – helps, but need new activities to emerge.