

# **The current European policies and the ISIGrowth policy roadmap**

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# Diagnosis of European Problems

## EU badly hit by 2008 crisis, but long-term problems:

1. De-industrialization (in several EU countries, with some exceptions)
2. European relative weakness in new technologies and new industries
3. (Nearly) stagnant wages and divergence between productivity growth and wage growth
4. Declining labour share, and related ...
5. Surge in corporate profits, especially financial ones
6. In general, rising inequalities
7. The threat of climate change

# EU post crisis policy mix

**Facing post crisis poor performances policy answers:**

1. Fiscal austerity
2. Structural reforms, i.e. flexibilization of labour markets and labour relations

**Both have failed!**

**The Investment Plan for Europe is welcomed,  
but it is not enough**

# Toward a European New Deal

1. Transition towards high-value, innovative, environmental-friendly production and industries
2. Mission-oriented industrial policies addressing societal challenges such as climate change
3. De-financialization of European economies
4. “Good” structural reforms in labour markets
5. Tackling inequality: income redistribution and strengthening of universal public services (e.g. education)

**Such new policy mix will put the European Union back on a steady, innovation-fuelled, inclusive and sustainable growth path!**