

# Macroeconomic dialogue at political level, 7 November 2019

**Mika Lintilä, minister of finance of Finland which currently holds the presidency of the Council said:**

“Today we had a lively debate with the social partners on the economic outlook and on a topic that we consider as very important: education and training in changing labour markets. Our discussion has shown how crucial the role of education and training systems is in promoting sustainable growth and equality of opportunities as well as fighting poverty. It is clear that this is an important topic for Europe’s future and concerted effort from all involved parties is needed to respond to the challenges.

Regarding the economic outlook, the slowdown continues as a consequence of a combination of factors and is subject to large uncertainty. In the near future, a number of challenges remain to be addressed.”

**Commission Vice-President Valdis Dombrovskis said:**

“Not only do education and skills formation drive productivity growth, they also make growth more inclusive. This is why access to quality education and training is one of the best investments a society can make. In the next decade we will face a range of pressing challenges, ranging from climate change to migration, to rising population aging and the new world of work.

Europe needs strong education and training systems in order to adapt to – and benefit from – this coming decade of change.”

**President of the Eurogroup Mario Centeno said:**

“In order to provide an ever-increasing level of services and welfare to a society with a shrinking share of working-age population, the only sustainable solution is to increase productivity, investment and participation in the labour market.

Improving the quality and efficiency of education and training should be priority investments. Not only do they improve the private economic prospects of the individuals benefitting from them, but they also have positive spill-overs for the rest of society. Given these externalities, the market is likely to provide less training and education than necessary, and governments need to step in.”

**European Trade Union Confederation (ETUC) General Secretary Luca Visentini said:**

“The economic situation is deteriorating, with a slowdown in growth and weakening exports, while internal demand and wages stay low. Even the good overall employment rate is based on a rise in precarious work while net public and private investment levels as shares of GDP are still lower than in

2008.

A high level of political uncertainty is not helping. In these circumstances, the ETUC believes now is the time to use the fiscal space available to show leadership through urgent public investment in the green and digital transitions. Upward wage convergence through higher minimum wages and strengthened collective bargaining systems, fair corporate taxation and an unemployment reinsurance scheme are among other policies which must be discussed in order to protect workers against another economic crash, combat increasing inequalities and create a fairer Europe."

**BusinessEurope Director General Markus J. Beyrer** said:

"The EU economy is experiencing an economic slowdown, reflecting uncertainties due to trade tensions. Our Autumn Economic outlook forecasts 1.3% real GDP growth in 2019 for the EU-28 and 1.2% in 2020 (down from 1.6% for 2019 and 1.7% for 2020 in our Spring forecast). The big economic question for 2020 will be how fast and with what magnitude the slowdown in export sectors affects the rest of the economy. In the event of a downturn, EU member states should make use of the flexibility provided for in the Stability and Growth Pact to undertake appropriate counter-cyclical fiscal policy, including to support growth-enhancing investments and structural reforms."

**European Centre of Employers and Enterprises providing Public services and services of general interest (CEEP) General Secretary, Valeria Ronzitti** said:

"The service sector is currently the "silver lining" of our economy, despite the generalized slowdown movement, marked by industrial and trade downturns. Public services and services of general interest are essential for the welfare of citizens and are now playing a major role in maintaining wage stability and household consumption. However, since a consumption-driven growth can hardly last forever, now is the time for fiscal policies in Europe. On the long term, we need to prepare ourselves structurally to face challenges like digitalization, demographic transition and climate change and develop a sustainable growth strategy, which must have education and training in its core. Employers are today the main responsible for skilling, reskilling and upskilling the workforce, but CEEP believes the EU can be a fundamental player in terms of coordination and support of training initiatives. Social partners are also key assets to guarantee the efficient allocation of resources throughout the whole process, from design to implementation."

**SME UNITED Secretary General, Veronique Willems** said:

"The majority of traditional SMEs in Europe have to tackle the challenges posed by digitalisation, greening the economy and changes in global supply chains. Therefore, SMEUnited urges Finance Ministers to speed up the work on the next generation of European Programmes (MFF) and to focus them on supporting future growth. Furthermore, SMEs most suffer from the lack of skills available on the labour market. That is why SMEUnited welcomes the ECOFIN Council's willingness to engage on this topic. On continuous training,

it is especially important for SMEs to find models which allow employers to protect their investments in the training of their staff. We are referring to positive experiences with models in some Member States where such training is jointly organised and financed by sectors and/or regions.”

#### **Incoming Croatian Presidency (January to July 2020):**

“Education and lifelong learning should be one of priority areas of action given their multiple effects for the economy and society as a whole. Their role is vital for prevention of poverty and social exclusion, fostering key competences and ensuring long term growth.

Education should be viewed more as an investment than a budgetary cost. However, these investments should be effective and efficient as quantity alone is not a guarantee for improving educational outcomes. In addition, we should try to achieve a more differentiated approach to investments in education and training in order to reduce over-reliance on public sources of financing.

Close cooperation with important stakeholders such as social partners in developing and implementing education and training systems should be ensured.

We are looking forward to organize an equally interesting discussion in the next Macroeconomic dialogue under the Croatian Presidency.”

#### **Future German Presidency (July to December 2020):**

“20 years after its implementation, the Macroeconomic Dialogue is a platform of great importance to discuss economic challenges with social partners and all other key institutional players of the European economy. I particularly welcome our discussion on education and training. Both are key for growth and equality. Life-long learning and upskilling are necessary to cope with the effects of globalization, demographic change and digitalization.”

[Visit the meeting page](#)

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**EESC holds its first conference on the rule of law, highlighting the importance of an all-encompassing response to breaches of rights and values in Europe**



**Building on its newly published report on the rule-of-law situation in Europe, the EESC conference calls for a mature and structured dialogue between governments and civil society to reverse backsliding on the rule of law in the EU**

On 5 November, the European Economic and Social Committee (EESC) held a high-level conference on “Fundamental Rights and the Rule of Law – Trends in the EU from a civil society perspective” to signal the urgent need to involve civil society in promoting a culture of the rule of law, amid a growing number of reports on breaches of the core EU values across Europe.

This was the first EESC conference dedicated solely to this major topic, which will be one of the priorities of the new European Commission. It was organised by the EESC Group on Fundamental Rights and the Rule of Law (FRRL) and was attended by senior officials from the European Parliament, the European Commission, the Finnish EU Presidency and the Council of Europe.

The EESC also took this opportunity to present its newly published interim report on “National developments from a civil society perspective”, compiled by the FRRL Group, following the first country visits the Group had undertaken in 2018 and 2019.

The report summarises the concerns of diverse civil society organisations, media and legal professionals and human rights institutions interviewed by the Group. It also contains observations on the report made by the governments of the countries in question, who were given the right to reply.

The focus was on the areas of particular importance for civil society such as freedom of assembly and association, freedom of the media, non-discrimination and the rule of law.

The Committee said it hoped the conference could evolve into a wider stakeholder forum which would bring together dozens of national and grassroots civil society organisations, institutions and policy makers in a dialogue. The idea is in line with the Commission's proposal to set up a yearly event on rule of law dialogue, made in its Communication on "Strengthening the rule of law within the Union", from July 2019.

This would ensure a vital contribution from civil society to EU policy in this area and help develop a "civil society component" in all discussions on the rule of law, making sure civil society is fully engaged in promoting a rule of law culture in Europe. Such actions will bring added value to the Commission's toolbox for countering rule of law breaches, such as infringement procedures, which the Committee has already welcomed in its opinions but thinks should be complemented by an all-encompassing action at all levels.

Opening the conference, EESC president **Luca Jahier** said: *What we need is an ambitious and comprehensive response to challenges to fundamental rights and the rule of law. This should concern every Member State, all EU institutions and civil society. Tackling these challenges cannot be solely a legalistic exercise between the Commission and Member States! It is urgent that we look for solutions together!*

He noted that the EU's values could no longer be taken for granted as they were violated across the EU, with media coming under attack, hate speech rising, independence of the judiciary being compromised and civil society organisations and human rights groups stigmatised.

*When democracy is in danger, it is not only our institutions that are at stake: it is everybody, including civil society. By pointing out critical aspects of government action or policy, civil society helps to improve them. Governments and EU institutions have to welcome critical voices, and even protect them, because without them, dialogue disappears and this puts us on the road to autocracy.*

**Mr Jahier** said the EESC could make an important contribution to the inter-institutional dialogue, proposed by the European Commission as part of the Rule of Law Review Cycle, which will be used to monitor rule of law developments in Member States. The Committee also hopes to actively cooperate with other institutions in this regard.

The conference heard from high-level participants, including **Juan Fernando López Aguilar**, Chair of the European Parliament Committee on Civil Liberties, Justice and Home Affairs (LIBE), **Malin Brännkär**, Finnish Secretary of State in the Ministry of Justice, **Tiina Astola**, European Commission Director-General for Justice and Consumers and Ambassador **Zoltan Taubner**, Head of the Council of Europe Liaison Office to the EU.

The high-level speakers agreed civil society's role was of paramount importance in preserving the rule of law and securing respect for fundamental rights in the EU.

Presenting the FRRL Group's interim report, the FRRL Group president **José Antonio Moreno Díaz** said the report was not an attempt at a legal analysis of the situation. Its aim was not to single out and criticise any country but to highlight trends in fundamental rights and the rule of law in the entire EU as they developed in national specific contexts, and to put civil society concerns on the table as a basis for further dialogue and as a way to relay "early warnings" about some worrying developments.

*We give an opportunity to members of civil society to be heard. Our mission is to bring to Brussels the voice of civil society working on the frontline. The facts and the data we have collected raise the question: when did it go wrong in the EU? How can we, in 2019, have governments that do not respect fundamental rights or the rule of law? We need to reflect on this and we need to find concrete measures,* he said.

The EESC – which is composed of three groups representing the EU's employers' organisations, trade unions and diverse civil society organisations – took a united stand with regard to the need to protect core EU values and praised the work of the FRRL group.

The President of the Employers' Group, **Jaczek Krawczyk**, said the rule of law was important for the economy as a whole, and a precondition for the mutual trust on which the internal market relies.

The President of the Workers' Group **Oliver Röpke** said that civil and political rights could not be separated from social and labour rights, such as the right to strike and freedom of expression, which are necessary to fight for better working and living conditions.

The President of the EESC Diversity Group **Arno Metzler** said standing up for the rule of law and fundamental rights required a bottom-up approach and transparency.

## Background information

The EESC's FRRL group was set up in 2018 as a horizontal body within the EESC to provide a forum for European civil society organisations to share their assessment of the state of fundamental rights, democracy and rule of law in Member States.

With a view of detecting general trends and national specificities in the development of the rule of law, the FRRL group has so far visited six countries: Romania, Poland, Hungary, Austria, France and Bulgaria and a mission to Italy is scheduled for December. The FRRL group plans to visit all EU Member States in the years to come.

EESC FRRL Group, National developments from a civil society perspective, 2018-2019 – Interim Report, November 2019,

## Press release – COP25: MEPs push for CO2 neutrality by 2050



Ahead of the COP25 UN Climate Change Conference in Madrid in December, the Environment, Public Health and Food Safety Committee approved on Wednesday a resolution calling on the EU to submit its long-term strategy to reach climate neutrality at the latest by 2050 to the UN Convention on Climate Change as soon as possible. This would guarantee the EU maintains its world leadership in the fight against climate change.

They also highlighted the need for the EU to raise its ambition level for 2030 in order to reach the 2050 target. MEPs expect the European Green Deal announced by European Commission President-elect Ursula Von Der Leyen to include a target of 55% emissions reductions by 2030.

### **Global ambition for aviation and shipping not enough**

MEPs say that current ambition for aviation and shipping fall short of the necessary emissions reductions and hence believe that all countries should be encouraged to include emissions from international shipping and aviation in their national contributions plans (NDCs).

### **More financial support to fight climate change**

EU countries should at least double their contributions to the international [Green Climate Fund](#), the committee says. MEPs stress that EU member states are the largest providers of public climate finance and that the EU's budget

should fully comply with its international commitments. They also note that actual pledges by developed countries still fall short of the collective goal of mobilising 100 billion USD per year as of 2020.

Finally, they urgently call on all EU countries to phase out all direct and indirect fossil fuel subsidies by 2020 and on the European Investment Bank to end lending to fossil fuel projects except for gas when used in combination with renewables. The global action made during the next 10 years will impact the future of humanity for the next 10 000 years, they say.

### **Quote**

“The Environment Committee is showing the way for Europe to be the first carbon-neutral continent in 2050”, said the Chair of the Environment, Public Health and Food Safety Committee [Pascal Canfin \(Renew Europe, FR\)](#). “While the United States confirmed yesterday its exit from the Paris Agreement, we reaffirmed today in the European Parliament’s Environment Committee that we want Europe to be serious about the fight against climate change”, he added.

### **Background**

The [European Commission has already proposed the goal](#) of net-zero emissions by 2050, but the European Council has still not endorsed it as some countries are opposed. COP25 will take place in Madrid from 2-13 December 2019. A delegation from the European Parliament led by [Bas Eickhout \(Greens, NL\)](#) will participate.

### **Next steps**

The Environment Committee adopted the draft resolution with 62 votes to 11. The text will be voted by the Parliament as a whole during the 25-28 November plenary session in Strasbourg.

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## **Indicative programme – Economic and Financial Affairs Council meeting, 8 November 2019**

### **Place:**

Europa building, Brussels

### **Chair:**

Mika Lintilä, Minister for finance of Finland

*All times are approximate and subject to change*

From +/- 07.15



Arrivals ([live streaming](#))

+/- 07.45

Doorstep by Minister Lintilä

**08.00**

**Roundtable** – Ministerial dialogue with EFTA countries

**09.00**

**Roundtable** – Ecofin / ministerial breakfast

**09.30**

**Roundtable** – Joint policy debate with participation of Ministers for finance and education

**12.10**

**Press conference following the joint policy debate with participation of Ministers for finance and education**

**12.30**

**Beginning of the Ecofin Council meeting**

Adoption of the agenda

Adoption of non-legislative A Items

+/- 12.35

Council recommendation on the appointment of a member of the Executive Board of the European Central Bank (\*)

+/- 12.40

Adoption of legislative A Items ([public session](#))

+/- 12.55

Excise duties ([public session](#))

+/- 13.25

Transmission and exchange of VAT-relevant payment data ([public session](#))

+/- 13.55

Special VAT scheme for small enterprises ([public session](#))

+/- 14.25

Other business – Current financial services legislative proposals ([public session](#))

+/- 14.40

Digital taxation

2019 Annual report of the European Fiscal Board

Conclusions on EU statistics

Conclusions on climate finance for the COP25

Follow-up to the G20, r and IMF and World Bank annual meetings in October 2019 in Washington

Other business – Stable coins

**+/- 17.00**

Press conference ([live streaming](#))

## **In the margins of the Council**

**Thursday, 7 November**

**Macroeconomic dialogue**

**+/- 11.30**

Roundtable

**Eurogroup meeting**

From 13.30

Arrivals ([live streaming](#))

**+/- 14.45**

Doorstep of Eurogroup President Mario Centeno

**+/- 15.00**

Roundtable – Eurogroup

From 15.30

Arrivals (Inclusive EG)

**+/- 16.00**

Roundtable – Eurogroup in inclusive format

**18.00**

Press conference ([live streaming](#))

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**[Press release – Budget MEPs back €1.6 million to help 400 former workers of Carrefour Belgium](#)**



The measure, co-financed by the [European Globalisation Adjustment Fund](#) (EGF) would help the 400 workers find new jobs by providing them with career guidance, job training, entrepreneurship advice and contributions towards business start-up.

The measure will also include support for up to 330 unemployed young people who are under the age of 25 years and are not currently enrolled in education or training.

The total estimated cost of the package is €2.7 million, of which the EGF would provide 60% of the budget – €1.6 million.

The [draft report](#) by [José Manuel Fernandes](#) (EPP, PT), recommending that Parliament approve the aid, was passed by the Budgets Committee on Wednesday by 30 votes to 3, and 2 abstentions.

Since the Council of the EU has rejected the proposal, the rapporteur Mr [Fernandes](#) said the following: “The Council’s position is shameful as they are not respecting the rules and the rights of these Belgian citizens who have lost their jobs in a region, Wallonia, where the unemployment rate is high and above the EU average.”

### **Next steps**

To take effect, the aid has to be approved by a plenary vote in Parliament and by the Council, which has rejected it. The matter will now be discussed in a trilogue setting (between Parliament, the Council and the Commission).

### **Background**

The European Globalisation Adjustment Fund (EGF) contributes to packages of tailor-made services to help redundant workers find new jobs. Its annual ceiling is €150 million.

According to the Belgian Federation for Commerce and Services, 67% of Belgian

consumers shopped online in 2018 – up from 46% in 2012. Overall, 39% of consumers say they will shop more online in 2019 than in the previous year.