

# 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.”

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