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SPEECH

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Macrodeconomic Dialogue
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ADDRESS BY VALERIA RONZITTI, GENERAL SECRETARY OF CEEP

Ladies and Gentleman,

Let me first thank you for the invitation to present here today CEEP's positions in this macroeconomic dialogue.

I will start by presenting our views on the economic situation, before explaining our answers to that situation, with a particular focus on what we would like to see from the Italian Presidency in the coming 6 months.

1. Current economic situation

The present political momentum is essential for finally realising CEEP's call for a well-balanced policy mix, with a budgetary policy favourable to long-term sustainable growth.

When referring to the political and thus economic situation, I think about a "global" view. I will take just two significant examples:

- Unemployment in the US is at 6.1%, the lowest level since the beginning of the financial crisis. Europe can not miss the opportunity to take advantage of the US recovery as soon as possible and we must do so before the expected increase of interest rates on international markets.
- The current top priority of G20 under Australian Presidency is to foster investments, particularly in infrastructure and SMEs, in order to boost global growth.

In this context, Europe needs to leave behind the undifferentiated fiscal consolidation which has precluded public investment and created a difficult climate of instability for European citizens.

Growth enhancing structural reforms and sound finances now needs to go together.
This is has been the core of CEEP's messages for the European Semester in the last six years. We might be getting repetitive and pedantic. Unfortunately, we feel necessary to keep hammering this message, as "easy cuts" are still being made in too many Members States. Those cuts affects the very segments of the public budget which could effectively help us getting out of the crisis.
You can imagine the difficulty for me to keep this speech while the rest of Europe is going in the opposite direction and running the risk of being seen as calling for a new grand ”Marshall Plan for public services", which has never been our intention. As employers and providers of public services we know that the answer does not lie in "fresh money" artificially injected in physical and social infrastructures. The only way out is long term structural change and reforms, including, if not mainly, in public services.

2. Priorities of the Italian Presidency

Against this background you can imagine that our member's expectations for the Italian Presidency are very high. They feel that we have finally found the right interlocutor, one sensitive to our concerns.

The challenge is now to translate this affinity in priorities and messages into the European policy agenda for the next five years. That is exactly why the review of the Europe 2020 Strategy is so important.

The stocktaking exercise needs to put back on the table the question of whether we can balance our initially agreed objectives for smart, sustainable and inclusive growth with the objective of sound public finances.

3. Our proposals

To realise this ambition our proposals are clear:

- When governments commit to **invest in physical and social infrastructures**, these **expenses should be excluded from the calculation of each country's public spending deficit**.

- We should have clear objectives of **unemployment rate reduction through large-scale public investment programs**. This has supported the American recovery and we can certainly take inspiration from it.
- Europe needs to have its own **clear and legal framework for long term investments**, and therefore the legislation concerning the European Long Term Investments Funds needs to be finalised without delay.

We are committed to further develop recommendations for concrete actions in our answer to the current EU2020 Strategy review. We are ready to support in any way possible the Italian Presidency to anchor growth enhancing policies into the next five years agenda. Failing to do so would make sustainable growth and new growth strategy to only remain as the buzzwords of this semester.

Thank you very much for your attention.