

First meeting of European economic institutes - Economic Think Tank Exchange (ETTE) in Brussels

Do economists discuss the same topics in Bulgaria and Finland as they do in Germany? What's on top of the agenda for Austrian and Finnish economic buffs?

While Brussels focuses on Brexit and on EMU and budget reforms as well as the new pillar of social rights, in many EU member states the hot topic is a rather different one – the national labour market and the productivity of the economy. That was the result of a non-representative survey by the German Economic Institute, IW Köln amongst various economic think tanks in different EU countries.

To analyse these issues more profoundly and exchange on potential solutions, we brought representatives of institutes from Bulgaria ([Economic Research Institute](#)), Austria ([Economica](#)), Finland ([Research Institute of the Finnish Economy](#)), France ([Coe-Rexecode](#)), UK ([National Institute of Economic and Social Research](#)) and Italy ([Confindustria](#)) together for a joint workshop.

Quickly it became clear that the challenges for labour market policy and for the productivity puzzle are very similar in these countries. Youth unemployment as well as unemployment amongst elder people, problems in finding skilled workers are an issue in almost all economies. Thus, better vocational education curricula, more on the job training as well as life long learning opportunities and flexible labour markets are needed to cope with these challenges. The respective policies must be designed for the long-term and for the right focus groups (i.e. in particular non-academics, elder employees, young migrants), and need to consider the actual requirements of companies and businesses.

Elder employees in particular are facing an additional problem of Western economies: pension systems that no longer provide the expected level of coverage due to longer life expectancy coupled fewer and fewer contributors. Only Italy and Finland are taking steps to index the pension age with the higher life expectancy, explained the economists from these countries. In other states, the problem of low activity rates of elder workers persists, which continues to weigh heavily on the pension funds.

The lack of skilled employees is a burden for the labour market and specifically the productivity level. While in Bulgaria there is currently a high demand across all sectors for unskilled workers, the absence of skilled workers keeps the productivity in Italy low since 2000. In Austria economist detect a problem in the lack of digital competence of the workforce, and in the UK the almost negligible role of industry associations in defining relevant vocational education and training needs has negative consequences. Following some country-specific shocks in Finland (Nokia, paper industry) however, the well-functioning education system, in tandem with labour market flexibility and tax measures helped to spur productivity on.

The first ETTE meeting of the different economic institutes served to get to know each other and to provide a forum for exchange on a topic that keeps politicians, industry players and academics busy.

On the getting to know each other level, participants presented their respective institutes, the working structures as well as the work content. It became obvious that all are united in following a very similar objective: providing relevant, applied and independent economic research, aiming to enrich and influence the public political debate with high-quality economic analyses. All institutes use micro data, some have their own models, other work more with surveys and panels of companies. And all have an interest in helping to create and

maintain a national economic and political order that allows their companies and businesses to thrive and remain or become competitive on a global level.

The competitiveness of the economies, incl topics such as growth, employment, productivity, new digital business models and the platform economy, are but some of the subjects of relevance to all.

The ETTE format shall thus be continued next year and might reach out to further institutes and representatives across Europe.