

Macroeconomic Dialogue 12 November 2025

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On the economic situation and industrial crisis:

We are not seeing any rebound in industry, as the restructuring crisis continues. Industrial workers are facing job losses, plant closures and restructuring. 90,000 jobs already lost only in automotive alone. It is only a start. Most industrial sectors are losing ground. There is an investment gap and a decline in R&D&I position. Europe is only leading on profit maximization. Even sectors under pressure are making profit.

Internal consumption continues to be the key driver of growth in Europe, driven by demand which depends on wages' purchasing power. Instead of supporting internal demand through wages, we hear worried voices highlighting caution and the need for moderation. This is very concerning in the current context of cost-of-living crisis with rising food, energy and housing costs.

OECD 2025 employment outlook confirms that real wages still didn't catch up with levels before the pandemic. And the situation does not seem to improve: in recent and ongoing collective bargaining rounds in industry, the big bargain was around inflation compensation and safeguarding rights won in past rounds. As you can understand, it's about safeguarding purchasing power and not increasing it as it should be.

We need more emphasis on demand management (which requires the protection of purchasing power and investments with social conditionality)

We cannot just go to the defence sector (especially in the current context when most MS purchase their defence products mainly from the US). We can only be strong external if we are strong internal, and our internal strength depends on economic security and social stability. Austerity is deeply eroding both.

On labour market policies, in industry, we are seeing the effects of the flexibilization of employment protection legislation on the ground in the outlined industrial restructuring crisis (more deregulation would only worsen the situation). We welcome the proposals on skills, but we need more targeted support for the workers affected by the ongoing restructuring crisis and, therefore, we have been calling for a SURE 2.0 (especially since everybody is praising SURE as a best case that safeguarded employment) – SURE 2.0 could offer protection and be linked with training obligations to contribute to meeting Europe's skills challenges.

We also need stronger economic planning.