

COMMUNICATION

**from the European Affairs Committee of the Federal Council
to the European Commission, the Council and the European Parliament
pursuant to Article 23 f (4) of the Austrian Constitutional Act
16 December 2015**

COM (2015) 601 final

**Council Recommendation on the Establishment of National Competitiveness Boards
in the Euro Area**

On 21 October 2015 the European Commission presented its ideas regarding the further deepening of the Economic and Monetary Union. The recommendation on the establishment of national competitiveness boards in the euro area, which is aimed at the surveillance of competitiveness developments in the Member State concerned, was first outlined in the summer of 2015 within the framework of the “Five Presidents’ Report”. The boards are to monitor and assess performance and policies in the field of competitiveness and provide advice on the implementation of reforms, with due consideration given to national specificities and common practices. The mandate of the boards is to cover issues such as wage dynamics, non-wage-related factors, productivity drivers and dynamic considerations relating to investment, innovation and the attractiveness of the national economy as a location for business and industry. Besides the monitoring of competitiveness developments, the competitiveness boards are to provide relevant information relating to wage-setting processes at national level.

The European Affairs Committee of the Federal Council wishes to point out that Austria has a highly developed and well-functioning system of social partnership, which deals with issues of wage policy in Austria in a comprehensive and balanced manner.

Moreover, in Austria – as well as in several other Member States – developments in the field of competitiveness are tracked by institutes of economic research. The European Affairs Committee of the Federal Council therefore holds the opinion that the establishment of competitiveness boards, which are to be structurally independent but mandated to issue political recommendations aimed at the strengthening of competitiveness and the implementation of country-specific recommendations, is not necessary. At any rate, if such

boards were to be established, they would have to be based on existing national structures.

The organizational structure of the envisaged competitiveness boards, if they were to be established, would have to ensure the full respect of the autonomy of the social partners in order to exclude any interference with wage and salary negotiations. The European Affairs Committee of the Federal Council furthermore notes that adding yet another level of complexity in economic policy management would not serve the Commission's stated goal of reducing bureaucracy.

The European Affairs Committee of the Federal Council therefore suggests that these proposals, such as the establishment of national competitiveness boards, be reconsidered.