Brussels, 29 September 2021
ecfin.cef.cpe(2021)6462975

Issues note

Thematic discussions work programme for 2022

Eurogroup discussions on structural topics have been taking place under the umbrella of the Thematic discussions on growth and jobs, which were introduced in 2014 by former Eurogroup President Jeroen Dijsselbloem and continued under President Centeno. These thematic discussions can stimulate economic growth and convergence among Member States by promoting best practices in key policy areas. In the past, the discussions have been useful to identify important policy questions, exchange best practices and highlight the main trade-offs that are specific to the euro area economy.

In the current Eurogroup work programme, the focus of the thematic discussions is on key issues relevant in the recovery from the Covid pandemic. Recent topics have related to the state of play of solvency in the corporate sector in the euro area and insolvency frameworks, which also figure on the work programme of the Eurogroup for the second half of this year. A key issue moving forward is identifying topics of highest policy relevance to discuss in 2022 and structuring these discussions in such a way that they contribute towards achieving euro area policy priorities.

At the same time, it is useful to reflect on how to maximize the impact and policy relevance of such discussions. To achieve a maximum impact with the thematic discussions, establishing clearer objectives and concrete deliverables will be important. This could mean that thematic discussions go beyond theoretical considerations and an exchange of national experiences, and encompass an actionable, forward-looking and policy-focused approach. This could include agreeing on common policy principles for relevant policy areas with the overall objective of contributing towards euro area priorities. Follow-up discussions could also be set up in order to take stock of the extent to which the principles have been implemented successfully.

The Covid-19 pandemic has caused an unprecedented economic shock to the euro area economy, with wide-ranging effects on the functioning of the real economy, financial markets and monetary policy. In view of achieving a sustained, inclusive and green economic recovery, several topics could feature in the thematic discussions work programme for next year.

These could include:

- labour markets: the impact of the pandemic and of the support measures, such as short-time work schemes; the structural changes in the labour markets from the perspective of the adjustment capacity of the euro area economy and, possibly, in light of the digital and green transition;

- productivity: factors supporting productivity growth, such as investment in innovation, in particular in the context of the green and digital transitions and fostering economic convergence in the euro area;
- housing markets developments: trends, prospects and macro-financial risks;
- inflation: assessment of the structural determinants of inflation, including the role of energy prices;
- the corporate and financial sector: monitoring financial vulnerability throughout the recovery, the design of policy tools, including of insolvency frameworks to support transformation and restructuring in the corporate sector in view of the recovery and the twin transition;
- the external sector: the euro area in the global economy, including the implications of changes in global value chains;
- quality of public finances: ensuring high quality public expenditure and investment in light of the twin transitions and the need to maintain sustainable public finances.

Based on the priorities highlighted in the discussion in the Eurogroup, a more detailed work programme of the thematic discussions will be developed, with particular attention to policy areas conducive to actionable policy agreements, and reflected in the work programme of the Eurogroup.

Questions for discussion

1. What issues would Ministers like to see prioritized for discussion in the Eurogroup in 2022 under the Thematic discussions work stream?

2. What set-up could be established to ensure more actionable, policy-focused debates with concrete outcomes?