

**Question for written answer E-011219/2015
to the Commission**

Rule 130

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Subject: Policy of deregulation of the labour market

According to some experts, the differential unemployment rates in the euro zone are due to the lack of structural reforms, particularly inadequate deregulation of the labour market, which does not allow them to reduce the disparities in competitiveness between their countries and Germany. However, less job creation due to protection from labour legislation is often offset by less destruction of jobs. The Schumpeterian dynamic is then invoked in support of the idea that labour protection prevents the reallocation of labour when economic shocks occur.

Empirical studies have difficulty in validating these assertions. However, deregulation policies are costly in the short term and must be accompanied by temporarily expansionist budgetary policies in order to cope with them and support overall demand. Deregulation facilitates redundancies at a time when businesses are being given no incentive to take on new employees because demand is weak.

Why, therefore, does the Commission persist in promoting these structural reforms which do not provide any remedy for a crisis that is mainly due to the malfunctioning of the euro?