

**Question for written answer E-011093/2013  
to the Commission**

Rule 117

**Sergio Gutiérrez Prieto (S&D)**

Subject: Strategy of wage cuts in Spain as the only way to increase competitiveness

As the ILO indicates in its Global Wage Report 2012-2013, wage growth continues to be much lower than it was prior to the crisis in the European Union. A growing divergence exists between wage increases and labour productivity, and between people with higher incomes and those who earn less, while the labour income share is declining. This disturbing situation has serious social consequences, and it also negatively affects the main components of aggregate demand, particularly consumption, investment and net exports, which are necessary for recovery and economic growth.

Nevertheless, the Commissioner for Economic and Monetary Affairs and the Euro Olli Rehn persists in recommending wage cuts as the only strategy to increase competitiveness and generate growth and jobs. In August, he defended the conclusion of an agreement in Spain according to which workers would accept a 10 % pay cut in two years, in exchange for companies' commitment to create significant jobs.

Since 2010, real wages in Spain, after accounting for inflation, have fallen by 6.3 %, but this decline has not contributed to job creation. Can the Commission explain what data form the basis for its continued focus on a strategy that systematically damages the purchasing power of many Spanish households and results in an increase in poverty and social exclusion in Spain? Does the Commission not believe that there are much fairer, more effective and more sustainable ways to increase competitiveness than by cutting wages?

In April 2012, the Commissioner for Employment, Social Affairs and Inclusion Laszlo Andor implemented a series of measures to promote economic recovery, known as the 'employment package'. These measures included the proposal to establish a minimum wage in all Member States, as well as a general increase in wages as a means of stimulating domestic demand and thus economic growth in the Union. Does the Commission not believe that it has demonstrated a lack of a clear strategy or consensus for emerging from the crisis?