

A CORPSE IN PERFECT MAGAZINE CONDITION

Posted on 22/06/2010 by Naider



I totally agree with what he tells us Carlos Cuerda in his last post [Go into debt to invest or to spend ?](#) And of course I envy you the facility you have to give soap and be sneakily acid in your comments; honestly, I am not good and I doubt more and more if I am really an economist, which, with the one that is falling, is not bad, is it?

We are talking about the reform of the labor market, of the health and welfare system, of the infrastructures and, of course, of the most topical one, that of the public sector deficit. But we forget the fundamental one: how we are going to do it, how we are going to finance and how we are going to manage the complex and great pending structural reform of the productive system, which is what all of them must embody. I explain:

A flexible and dynamic labor market is absolutely necessary, but it is only a necessary condition to really create qualified and quality employment for our young people. The labor reform is not a new economic engine and I am afraid that the most we can ask of it is that it bring us more quickly to equilibrium, which, according to what good economists tell us, will be a situation with lower real wages on average and a level of higher employment. In my opinion, not enough to fill the great abyss of unemployed that we have.

Regarding infrastructures, I have written on other occasions that ["Not everything goes"](#). Surely we have let ourselves be carried away by inertia and we have gone too far. What was very good and was an absolute priority last century to urgently fill the serious Spanish deficiencies in physical infrastructure, is no longer so. It does not follow from this, however, that public investments can be stopped "for free", but that a much more complex policy is needed in this field to adapt it to the demands of the new knowledge society and the necessary transformation of the productive fabric. . As Carlos said, education, culture, research, technology, environment,...

Our beloved welfare system has "2 newscasts" left because with the one that is falling we will not have the funds to pay for it. To do? I only venture two very simple messages. The first, I join [Eva Arrilucea in her post](#), since I believe that there is an important field for improvement in the rationalization of spending both in health and in social services; That is, the same level and quality of service can be provided with much less funding. Second, launch a great social debate to define what we want and, realistically, link it to the development of our production system. As I have read somewhere recently, we cannot have the healthcare system that the Swedes have, if the productivity of our companies is not close to that of their companies.

Finally, I come to the cut in the public deficit and it would be very foolish, on my part, not to recognize that great reforms are needed in our Public Administration. But we have to do them intelligently, spending less on some things and much more on others where we are very, very green as we are seeing. We have to strategically restructure public spending, to orient it to the need to transform our social and productive system, without falling into the temptation of cutting cuts for the sake of cutting, maintaining existing structural deficits and cooling the economy, which is what we least need in this moment. The [sustainable economy law](#) seems to have fallen into oblivion. Well, in my opinion, that is where we have to place the strategic priority and where we have to

guide our major reforms. On the way we are going, we run a serious risk of leaving a corpse along the way, yes, in perfect magazine condition.

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