Commission delivers more social content but fails again on public investment

Yesterday (22 November) the European Commission published its Annual Growth Survey (AGS) for 2018. This sets out the priorities for the coming year of economic policy coordination implemented through the European Semester. This year's AGS is notable for the increased focus on social policy, making clear that the recently declared European Pillar of Social Rights will serve as "a point of reference" in the upcoming Semester.

While EPSU welcomes this shift, it remains to be seen how this will work in practice in terms of the analysis in the country reports that will be published in February and the concrete measures that will make up the country-specific recommendations next May.

What is of more concern, is that the Commission fails to underline the need, more urgent than ever, to boost public investment. The dominant theme remains one of "fiscal responsibility". While the AGS does talk about low funding costs as an incentive for governments to frontload investment, this was essentially the same message last year. In the meantime, the latest figures show a fall in public investment as a share of total output (GDP). At 2.7% in the European Union (2.5% in the Euro area) public investment has dropped to its lowest level for over 10 years.

EPSU general secretary Jan Willem Goudriaan said: "The European Commission is absolutely right to say that we "need affordable, accessible and quality services... such as childcare, out-of-school care, education, training, housing, health services and long-term care..." but what's missing from this is the central role of public investment in, and public funding of these **public** services. Public investment has been in decline since 2009 and we need a major boost not just to get it back to pre-crisis levels but also to compensate for the years during which our public services have been starved of this vital investment."

The Annual Growth Survey is the main document in the European Commission's European Semester Autumn Package.

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