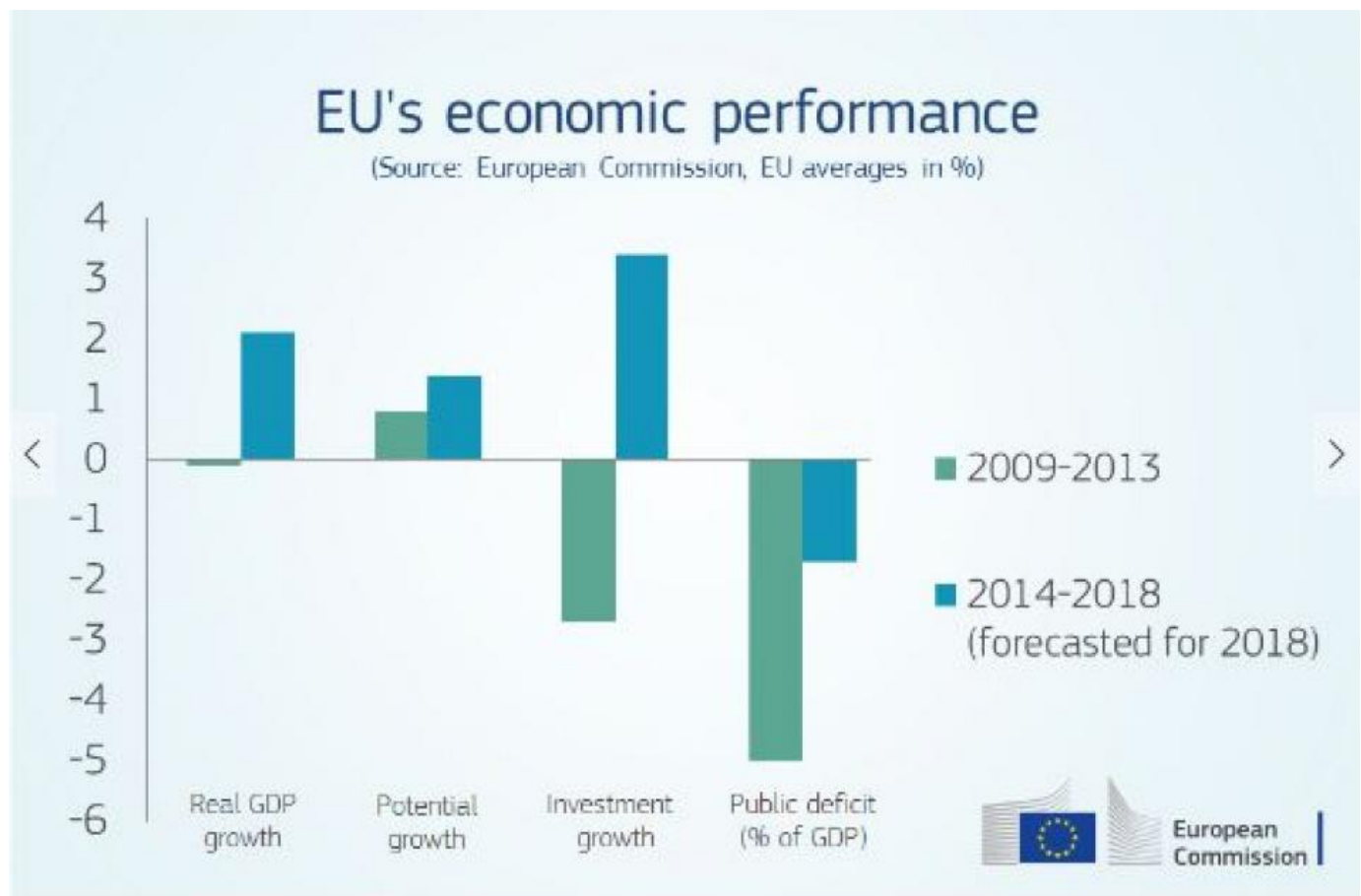


Commission aims for more resilient and inclusive economy



(23 November 2018) Access to quality health, care and education and fairer and better tax, benefit and social protection systems are among some of the positive elements in the European Commission's 2019 Annual Growth Survey (AGS) that was published on 21 November.

The AGS is the Commission's assessment of the economic and social challenges facing Europe and launches the European Semester process of policy coordination between Brussels and Member States. While there is a new focus on resilience and inclusiveness, the three themes that have run through previous Surveys – investment, structural reform and fiscal responsibility – are still very much in evidence.

The AGS begins with a good news story about sustained economic growth, record

employment rates and unemployment falling to levels last seen before the financial and economic crisis. The Commission puts these down to the structural reforms, fiscal policies and investment implemented at national and European level. The alternative view seen from the perspective of EPSU and the European trade union movement is that structural reforms aimed at labour market liberalisation, fiscal consolidation and inadequate investment actually contributed to a longer and deeper crisis.

Indeed, public investment in most Member States is still below its 10-year trend, let alone reaching levels that begin to compensate for the sharp fall following the first years of the economic crisis. So while the AGS says that “The investment gap brought about by the crisis is now nearly closed”, this might be true for private investment but the gap in the public sector, brought about by misguided fiscal policies promoted by the Commission and adopted at national level, remains.

The Commission is keen to keep the spotlight on fiscal responsibility and the need to reduce public debt, although the problem of private debt also gets a mention. It sees these as important for the “resilience” that the AGS says is needed to deal with global uncertainties and challenges that include climate change, the ageing population and the unpredictable impact of digitalisation.

Last year saw the AGS and the subsequent Semester take on board the European Pillar of Social Rights and this again features with the Survey recognising the need for inclusive and growth-friendly social policies and fairer tax and benefit systems. It is certainly encouraging to see the call for “high quality public investment in education and training” and the need to ensure “access to quality early childhood education and care.”

There is also more of an emphasis on social policy when the AGS talks of structural reform. Here the main issues highlighted are reforms that improve skills and education, active labour market policies, public employment services and tax and policy changes to increase women’s employment. The last of these including in particular “continued or improved access to quality health, childcare and long-term care services.”

The AGS also notes that real wages in many countries failed to keep pace with productivity in 2017, linking this to declining collective bargaining coverage. The Commission suggests that policies to support the institutional capacity of social

partners be promoted, in line with proposals that the ETUC has been developing following its Pay Rise campaign.

Commenting on the AGS, EPSU general secretary Jan Willem Goudriaan said: “We certainly welcome the emphasis given to social policies in this year’s AGS. However, alongside the clear commitment to high quality public investment in education we would like to see the same commitment to high quality public investment in health and social care”

He added: “A major boost to public investment is urgently needed but we don’t see this acknowledged in the AGS where debt reduction is given more priority. But our economies and societies won’t be more “resilient” in future if they inherit a legacy of decaying infrastructure in transport, education and health.”

Jan Willem welcomed the fact that the Commission highlighted that workers deserve a pay increase and the importance of collective bargaining. He said: “We want to see a strengthening of the framework for collective bargaining in the public sector and further ratifications of ILO Convention 151 on Labour Relations in Public Services could be an important way to achieve this.”

- EPSU contributed to the ETUC’s input into the AGS which can be found [here](#).
- The AGS is part of a package of documents that can be found [here](#).
- Further information on the ILO Convention 151 on Labour Relations in Public Services can be found [here](#).
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