

## Will EU's new fiscal rules hinder urgent action on staffing crises?



(27 April 2023) Public service federation EPSU is concerned that the [proposed](#) reform of the European Union's fiscal rules, published yesterday, might undermine national action to address the widespread staffing shortages across a broad range of public services in Europe – in health and social care, the justice system, childcare, tax administrations, utilities and more.

Even before the pandemic EPSU and its affiliates across the public services had reported on how staffing shortages were hampering the delivery of public services. This problem became all the more urgent as the pandemic hit and many countries saw their health and social care services buckling under the strain.

This experience now is at risk of being forgotten as public authorities continue to struggle to increase staffing and deliver the crucial improvements to pay and conditions that are key to boosting recruitment and retention.

The new fiscal rules look set to deliver some more flexibility in how member states deal with public debt, but the strict focus on keeping budget deficits below 3% of economic output (GDP) could hit those countries who have increased current spending in their attempt to increase staffing, particular in health and social care.

The Stability and Growth Pact – the core of the fiscal rules requiring member states to aim for the target thresholds of 3% of GDP for deficits and 60% of GDP for public debt – was suspended in 2020 to allow governments to increase spending to tackle the pandemic. The suspension will end in 2024 and the proposals for reform would mean that from next year any member state with a deficit above 3% will have to make a minimum fiscal adjustment of 0.5% of GDP per year. As the European Trade Union Confederation has pointed out this could have an impact on 10 member states who could soon have to face difficult choices about spending cuts.

In an initial reaction to the proposals, EPSU General Secretary Jan Willem Goudriaan said:

“It was welcome that the Commission suspended the rules in 2020 and national governments increased public spending and investment with support of the European Union to ensure that public services could cope with the pandemic. We expected that this experience and the comments and proposals of the trade unions to allow for the necessary public spending and investment would be taken on board. It is disappointing this has not happened and we face the threat of a renewed coordinated austerity that will destabilize our public services and fail to tackle the massive staffing crises. It threatens the scope to deliver on rights enshrined in the European Pillar of Social – such as the right to care – and undermines the quality public services that Europe’s workers want to provide.

EPSU will analyse the proposals in detail to see to what extent they address trade union concerns.

- [Log in](#) to post comments

- [Printer-friendly version](#)

Policies

[COVID-19](#)

[Economic Policy](#)

[Staffing levels](#)

Sectors

[Health and Social Services](#)

[Local and Regional Government](#)

[National and European Administration](#)

[Utilities](#)