**Question for written answer E-005648/2020**
**to the Commission**
Rule 138
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Subject: Role of the state as key policy-maker and of public investment

On 14 October 2020, the International Monetary Fund (IMF) released the *Fiscal Monitor* with an important warning: turning the public spending tap off too soon could prolong the recession and deepen inequality.

Despite the high levels public debt has reached in many countries, such as Japan (266% of GDP), Italy (162%), and the US (131%) as a result of measures to curb the recession - which will cut global GDP by 4.4% this year - support policies should not be phased out until the COVID-19 crisis has ended.

Chapter 2 of the *Fiscal Monitor* examines the proper role of public investment in fostering recovery, including the development of well-resourced and well-prepared health systems. Increasing public investment by 1% of GDP in advanced and emerging economies would create 7 million direct jobs and, taking indirect macroeconomic effects into account, between 20 and 33 million jobs in total.

One thing is clear: the IMF is calling for the revival of the state as key policy-maker.

Does the Commission intend to rethink its federalist and neo-liberal approach and finally acknowledge the role of the state as key policy-maker and of public investment?