

Developing public services, EU infrastructures and European public goods

Presentation to ETUC *Rethinking*
Lecce, 7-8th September 2023

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Outline

- Renewing the idea of Social Europe after the EPSR
- The cost-of-living crisis & renewing/ improving public services and infrastructures (within planetary limits)
- Are EPGs the answer for developing a stronger emphasis on public services and infrastructures? Do they address the 'polycrisis'?
- A foundational economy framing for developing a new approach to public services and infrastructures
- Implications

Renewing Social Europe

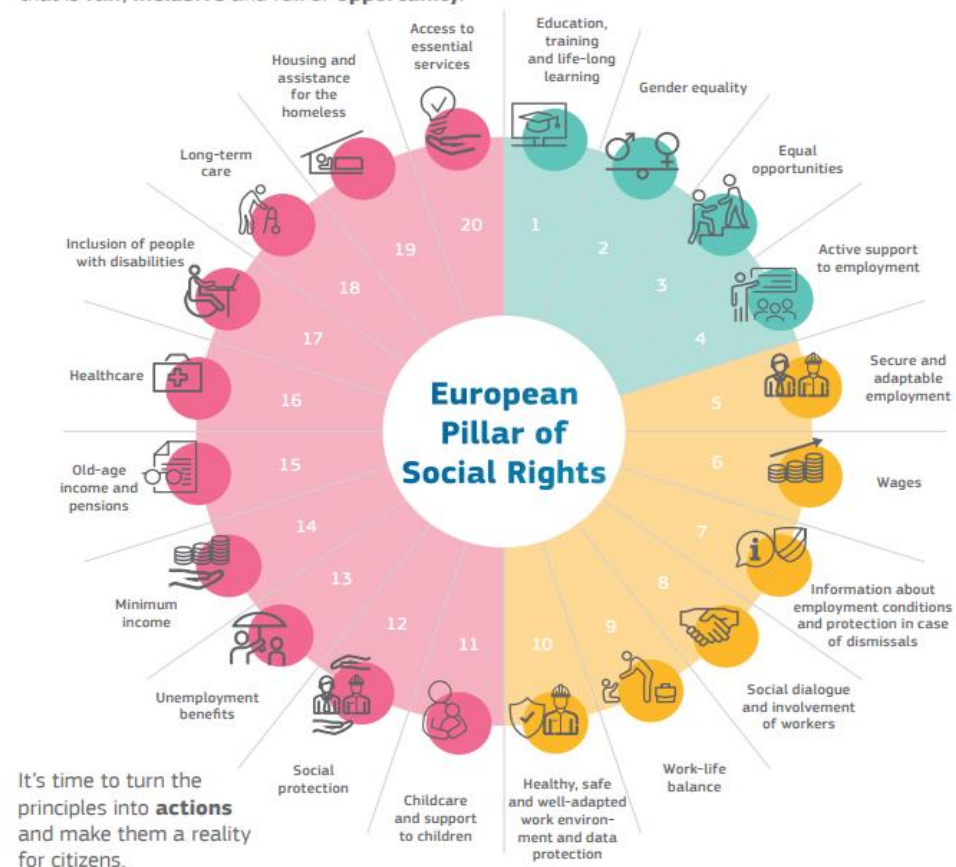
The European Pillar of Social Rights (EPSR) principles signify a broad view of the social rights of citizens beyond access to work and employment rights – including healthcare, childcare, long term care, housing and access to essential services

An ambitious vision for movement to a Social Europe but limited progress and now not aligned with ‘strategic’ missions around green and digital technologies

THE EUROPEAN PILLAR OF SOCIAL RIGHTS ACTION PLAN

4 March 2021
#SocialRights

The 20 principles of the European Pillar of Social Rights guide us towards a **strong social Europe** that is **fair, inclusive** and full of **opportunity**.



E.g. Principle 20: 'Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.'

The cost-of-living crisis

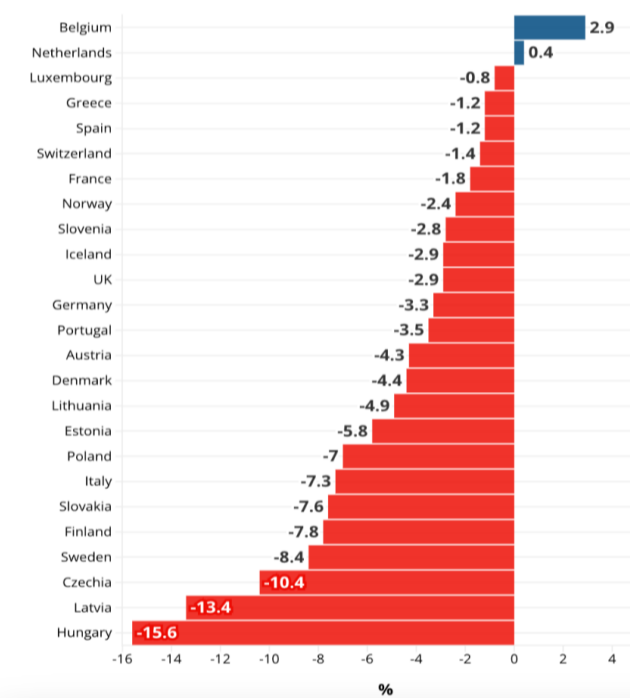
Acute crisis of inflation in energy, food and other prices, comes on top of chronic problem of real wage erosion for many

Cost of housing also a growing issue (rents or borrowing costs)

Interacts with sustainability issues e.g. housing cost and quality (energy efficiency); modal switching in transport shaped by costs and access to sustainable alternatives

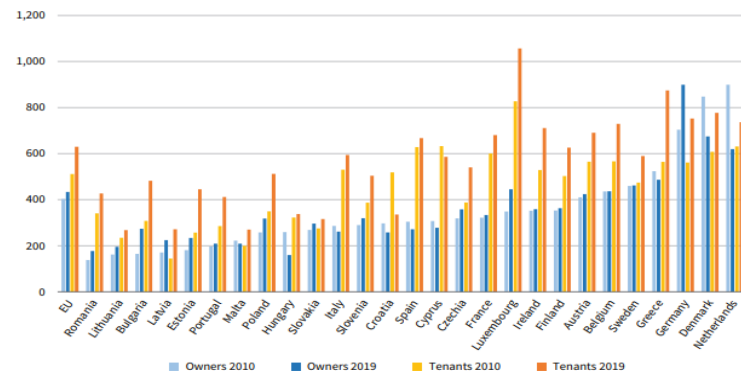
Sustained pressure on price of essentials e.g. climate crisis impacts on agriculture

Change in real hourly wages between Q1 2022 and Q1 2023

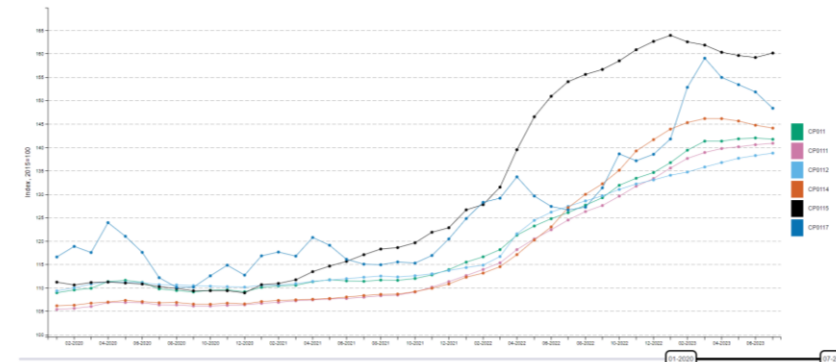


Source: OECD. Graphics: Euronews.

Figure 4: Housing costs, EU Member States, 2010 and 2019 (monthly purchasing power standard)



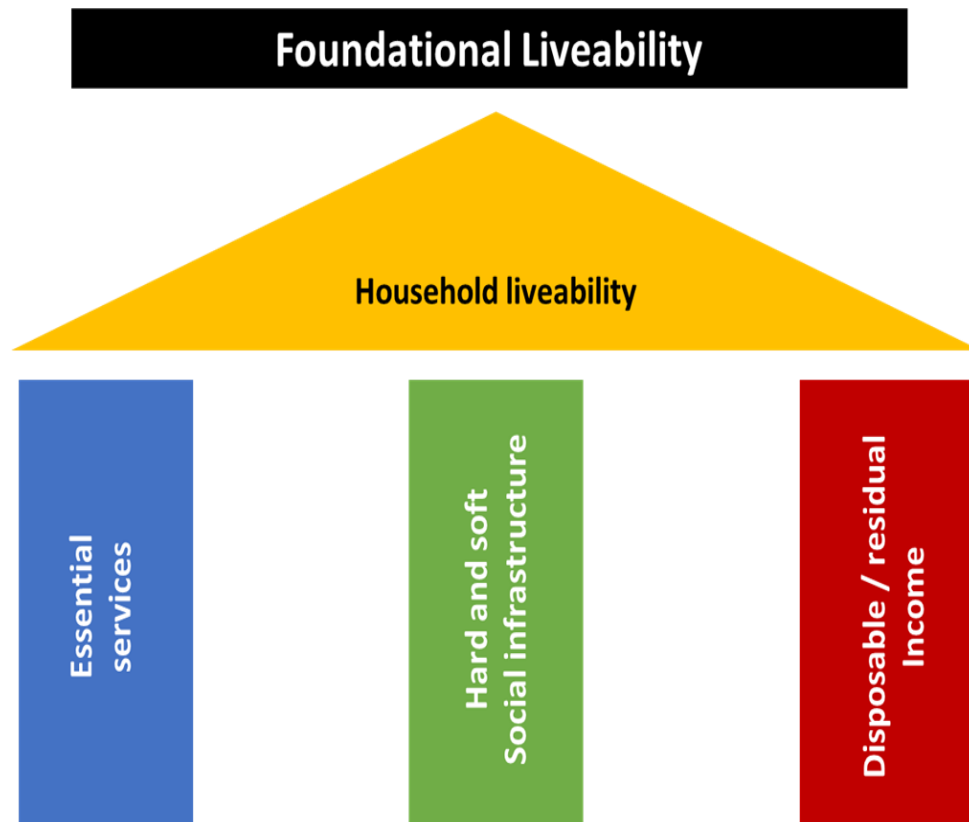
Notes: Included in housing costs: rent payments and mortgage interest payments, gross of housing benefits (housing benefits are not deducted from total housing costs); structural insurance and service charges (for sewage removal, refuse removal), if paid for by tenants; housing taxes; regular maintenance and repairs; and utilities (water, electricity, gas and heating). Member States ordered according to magnitude of 2010 owners' housing costs.
Source: Eurostat, Total housing costs in pps - EU-SILC survey [ilc_mdcd03]



Oils & fats
Vegetables
Milk, cheese & eggs
All food
Bread & cereals
Meat

Source: Eurostat

More generally, a liveability crisis: weak real incomes, stretched public services and austerity-hit social infrastructure



Household liveability depends on:

Residual income (income after taxes, benefits and costs of essentials)

Access to and quality of essential/ *foundational services*
Social infrastructure (buildings, green spaces, activities, associations...)

Can extending the scope of European Public Goods (EPGs) help to deliver broader social goals?

EPGs as an economic category, but political choices inevitable

Public goods: non-rivalrous and non-excludable (or partially so); of individual and collective value but typically exhibit market failure

European public goods (EPGs) – where there are benefits to EU-level provision (in relation to relative costs/ benefits of member state provision); different to EPGs by aggregation

To date, EPGs mostly focused on economic integration; excursions into health with Covid-19 vaccine procurement etc

Expanding EPGs?

Recent, significant debate on extending the scope of EPGs. Recognises importance of European scale action. But, what to include and using which criteria?

Many suggestions get mixed up with institutional 'strategic priorities' - digital infrastructures, green technologies, energy security, migration,...

Some connection to the social (e.g. via health) but suggestions lack coherence about the basis for action to enhance quality and sustainability of citizens' lives.

Citizen priorities (& the EPSR) - e.g. health, housing, childcare - outside scope of action

Lacks central clear commitment to using EPGs to reduce inequalities (based on income, territory....)

A wider foundational economy framing

Rests on a combination of:

- the basis for citizen capabilities (for a good life) (beyond economic contribution);
- constitutional and/or social norms/ social contract of member states;
- degree of inelasticity of demand (regardless of income)

The foundational economy includes:

- * *providential services* (health, education, care...)
- * *material infrastructures* (housing, transport, food, energy, water, waste...)

Priorities: employment rights & conditions and income protection *AND* quality, accessibility and affordability of foundational goods and services

How foundational systems are organised and how they are accessed

- Current challenge: renewal for climate crisis, security & resilience, but also for improved social and territorial justice



Implications

‘Return of the state’ needs a broader focus to create sustainable improvements to liveability through common infrastructures; a just social transition should include more than jobs & employment rights

Priority for funding: NextGenerationEU funds creates possible precedents but needs broader approach to (socio-economic) priorities; avoiding default ‘easy options’ of underwriting the risk of large projects for corporate actors

More research and discussion about how a multi-level approach can support public services/ foundational economy. A coherent approach required to recognise the importance of scale, from local to transnational e.g. health or water

Role of entitlements to foundational services as a basis for European citizenship

A role for trade union engagement at national and EU level