

DER ÖFFENTLICHE SEKTOR THE PUBLIC SECTOR

Exploring the Foundational Economy
for a just transition

The crisis of everyday liveability and
what to do about it

Welfare in degrowth transformations

Caring Societies? Feminist Lessons for the
Foundational Economy

Owning the future – building democratic
ownership

Laudatory Speech for the Egon-Matzner-
Price 2023 awarded to C. C. Walker

Richard Bärnthaler, Michael
Getzner, Astrid Krisch, Leonhard
Plank und Alexandra Strickner

Julie Froud

Max Koch

Corinna Dengler

Matthew Lawrence

Anna-Theresa Renner

“Der öffentliche Sektor - The Public Sector”, als Printzeitschrift im Jahr 1975 gegründet, erscheint seit 2015 als elektronisches Open-Access-Journal des Forschungsbereichs Finanzwissenschaft und Infrastrukturpolitik im Institut für Raumplanung der Technischen Universität Wien. Seit 2017 ist “Der öffentliche Sektor” Mitglied des Directory of Open Access Journals (DOAJ), gemeinsam mit 10.000 anderen Open-access-Zeitschriften aus der ganzen Welt.

Das zweisprachige Journal lädt zum Diskurs über die Bedeutung und Herausforderungen staatlicher Aufgabenerfüllung, mit besonderem Augenmerk auf die Wechselwirkung zwischen gesellschaftlichem und wirtschaftlichem Wandel, politischer Steuerung und räumlicher Entwicklung auf unterschiedlichen Ebenen. Gleichzeitig sollen verschiedene Rollenmodelle in der Aufgabenverteilung zwischen öffentlichem, privatem und zivilgesellschaftlichem Sektor hinterfragt und diskutiert werden.

In einem multidisziplinären Ansatz werden Fachleute verschiedener Disziplinen angesprochen: Finanzwissenschaft und Fiskalpolitik, Raumplanung, Infrastrukturplanung und -politik, Bodenmanagement und -politik, Ressourcenökonomie, Planungsrecht, Immobilienwirtschaft und Wohnungswesen, Politikwissenschaft, Volkswirtschaftslehre, Stadtsoziologie sowie andere verwandte Gebiete.

“Der öffentliche Sektor - The Public Sector” versteht sich als Wissensspeicher und Kommunikationsplattform zwischen Wissenschaft und Praxis einerseits und zwischen Jungakademiker*innen und erfahrenen Expert*innen andererseits.

Jede Ausgabe ist einem Schwerpunktthema gewidmet, zu dem ein spezifischer “Call for Papers” eingerichtet wird. Darüber hinaus werden auch andere geeignete Beiträge aus den oben genannten Themenkreisen veröffentlicht. Die Herausgeber ermutigen insbesondere junge Wissenschaftler*innen, Artikel zur Veröffentlichung einzureichen. Nach Prüfung und Akzeptanz des Abstracts werden alle eingereichten Artikel einer Review durch ein oder mehrere Mitglieder des Editorial Board unterzogen, fallweise werden auch externe Reviewer*innen beigezogen. Es werden keine Autorengebühren eingehoben. Publikationssprachen sind Deutsch oder Englisch.

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The aim of the bilingual journal is to advance the discussion on public intervention in a socio-economic and spatial context, studying the interrelations between economic and social change, policy design and policy impacts on different spatial levels. At the same time, it encourages the discussion on roles of and co-operation between the public, private and the different non-profit sectors.

It follows a multi-disciplinary approach, addressing experts from various disciplines and fields such as public economics, urban and regional planning, infrastructure policy, fiscal policy, environmental economics, land use policy and planning, planning law, real estate management and housing economics, political science, urban sociology and other related fields.

“Der öffentliche Sektor - The Public Sector” considers itself as a platform for exchange between science and practice, as well as between young academics and senior experts.

The journal adopts a focused thematic format with specific calls for papers. Each issue is devoted to a particular theme selected by the editorial board. However, papers that fall into the broad research fields mentioned above will also be published. The journal especially encourages young researchers to submit papers. After acceptance of the abstract, all papers will be reviewed by one or more members of the advisory board and eventually also by external reviewers. No open-access or paper submission fees will be charged. Publication languages are English and German.

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Editorial

Anna-Theresa Renner

Liebe Leser*innen,

es ist mir eine besondere Freude Ihnen die Ausgabe 49/2 der Zeitschrift „Der Öffentliche Sektor – The Public Sector“ zu präsentieren. Das vorliegende Heft steht ganz im Zeichen der sechsten Foundational Economy Conference (FEC), die im September 2023 an der TU Wien, unter dem Motto „Exploring the Foundational Economy for a Just Transition“ stattfand. Mehr dazu finden Sie im ersten Beitrag der von unseren Gastherausgeber*innen Richard Bärnthaler, Michael Getzner, Astrid Krisch, Leonhard Plank und Alexandra Strickner – die sich auch für die Organisation der FEC kenntlich zeigten – verfasst wurde.

Im Rahmen der FEC wurden vier Keynotes von hochkarätigen Forschenden aus dem Bereich der Alltagsökonomie gehalten, die Sie transkribiert in dieser Ausgabe finden. Julie Froud beschäftigte sich in ihrer Rede mit den derzeitigen Lebenskostenkrisen (cost of living crisis), welche Auswirkungen diese auf die Lebensqualität verschiedener Teile der Gesellschaft haben, und wie dieser begegnet werden kann. Max Koch referierte in seiner Keynote über die theoretischen Fundamente der „Degrowth Transformation“ und die Rolle des Wohlfahrtsstaats innerhalb dieses Prozesses, untermauert durch Erkenntnisse empirischer Studien aus Schweden.

In der dritten Keynote beschäftigte sich Corinna Dengler damit, was die Foundational Economy Bewegung von der feministischen Forschung im Bereich der unbezahlten Pflegearbeit lernen kann. Zu guter Letzt zeigte Matthew Lawrence in seiner Rede auf, wie Teile der Alltagsökonomie durch Privatisierung und Finanzialisierung ausgehöhlt werden, und wie man diesen Tendenzen entgegenwirken kann.

Im Rahmen der sechsten Foundational Economy Conference wurde außerdem der Egon-Matzner Preis für Sozioökonomie 2023 vergeben. Die diesjährige Preisträgerin Christine C. Walker wurde für ihren Artikel „A critique of the marketisation of long-term residential and nursing home care“ gemeinsam mit Angela Druckman und Tim Jackson ausgezeichnet. Die Abschrift der Laudatio bildet den Abschluss der vorliegenden Ausgabe.

Ich wünsche viel Freude beim (Nach)Lesen!

Exploring the Foundational Economy for a just transition

Introduction to this issue by the guest editors

Richard Bärnthaler, Michael Getzner, Astrid Krisch, Leonhard Plank und Alexandra Strickner

The Foundational Economy and its development and further refinement in recent years responds to the urgent need to find a way to make sense of why so many foundational infrastructure systems are currently in trouble. Collective problems of under-investment, financialisation, privatisation, and neglect are putting increasing pressures on those parts of the economy that keep us safe, sane, and civilised. The foundational-economy approach seeks to provide a positive reframing of these essential infrastructures, highlighting the importance of social and policy innovations to cope with complex problems.

This line of thinking relates to a broader understanding of the current crisis of everyday liveability, challenging traditional policy concerns of growth, employment, and 'business-friendly' supply-side interventions. The redesign of essential services and social infrastructures is crucial across services to recast the debate around people as well as quality and access to foundational infrastructures (see Froud in this issue). In this context, the transformation of welfare states to cope with environmental challenges while simultaneously securing the prosperity and wellbeing of citizens, protecting them from a range of old as well as new social and social-ecological risks, is a major challenge (Hirvilammi et al. 2023). Strengthening public infrastructure and improving public services are essential building blocks to enable an affordable, climate-friendly, and socially just life for all (Hickel et al. 2022). In the 21st century, a sustainable welfare state must, above all, be concerned with identifying and facilitating synergies between social and environmental goals, while balancing associated conflicts (see Koch in this issue, Bohnenberger 2023).

Against this backdrop, feminist debates can enrich foundational thinking, based on the shared goal to move from a careless economic system to a caring society (see Dengler in this issue). Similarly, deepening the debates on economic democratisation is crucial to strengthen the foundations of a life-centred economy (see Lawrence in this issue, Rahman 2016). Ultimately, these issues are embedded in political-institutional contexts, in territories

and places, relating as much to the task of creating freedom in complex societies (Polanyi 2001) as to questions of community needs.

Drawing on these recent scientific and policy-relevant debates, the Department of Public Finance and Infrastructure Policy (Forschungsbereich Finanzwissenschaft und Infrastrukturpolitik, IFIP) at TU Wien's Institute of Spatial Planning together with the Competence Centre for Infrastructure Economics, Public Services and Social Provisioning (<https://alltagsoekonomie.at>), established in 2022, and a wide range of supporting institutions, organised the 6th Foundational Economy Conference in Vienna in September 2023. The conference was held as a scientific and policy-oriented event with plenary keynote speeches, parallel sessions, and self-organised workshops and discussion groups. More than 250 participants attended the 2.5-day event.¹

Since its establishment in 1972, the department has been working on issues related to the foundational economy. A major area of research concerns the economics and policy of all types of infrastructure, including technical, social, and legal/institutional. In the context of today's multiple crises, from the care and ecological crises to dwindling social cohesion, new infrastructures, and conceptualisations thereof, have emerged, highlighting the importance of the foundational economy as an analytical, empirical, political, and evolving concept.

Held under the theme of "Exploring the Foundational Economy for a Just Transition", the conference brought together academics, policymakers, practitioners, and activists to discuss a wide range of approaches to shaping a just future through alternative economic development. Conference keynotes and participants discussed the role of accessible, affordable, and sustainable foundational infrastructures in the context of an eco-social transformation, while exploring ways to defend, strengthen, and transform them.

¹ For more information about the conference and a recording of the keynotes please visit the website <https://alltagsoekonomie.at>.

At a time of entangled crises and increasing insecurities, with social-ecological crises being accompanied by the rise of right-wing populist movements, strengthening our shared foundations is a prerequisite to provide security, stability, and a sense of solidarity for the unavoidable transformations ahead.

This edition of the journal “Der öffentliche Sektor – The Public Sector” is devoted to documenting the conference and keynote speeches. We would like to thank the keynote speakers, the supporting institutions, all participants, and the organising committee for contributing to the great success of the conference.

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6th Foundational Economy Conference, Vienna, Austria

Forschungsbereich Finanzwissenschaft & Infrastrukturpolitik

The 6th Foundational Economy Conference took place in Vienna, Austria, from September 14 to 16, 2023. [The recordings of the keynote lectures can be found here:](#)

Julie Froud, University of Manchester: [The crisis of everyday liveability & what to do about it](#)

Max Koch, Lund University: [Welfare in degrowth transformations](#)

Corinna Dengler, Vienna University of Economics and Business: [Feminist Lessons for the Foundational Economy](#)

Mathew Lawrence, Common Wealth Think Tank: [Owning the Future – Building democratic ownership](#)



<https://alltagsoekonomie.at/>

The crisis of everyday liveability and what to do about it

Keynote at the 6th Foundational Economy Conference

Julie Froud

It is a real honor to open this conference. It is also a little bit intimidating because there are a lot of you and our agenda is so wide and I don't have all the answers. I want to just start by saying, I am not going to tell us what we should do, but hopefully I am going to allow us to start some debates that we can continue over the next two days. I am an academic but I am trying not to be too academic, and trying to just stimulate some important discussion.

What I do is to think about the idea of crisis, and obviously we're in a world now where crises accumulate, one after the other, and it is very hard to think about more than one crisis at once. I guess the current crisis is about the cost of living. We got so used to no inflation so that when we had inflation of energy and food prices, and housing and transport it was a bit of a shock for us as citizens, and a shock for policy makers and politicians as to how do we deal with this. So that is the immediate crisis that we characterize as a cost living crisis.

What I want to do in the presentation is to reframe this more broadly as a crisis of liveability because that is important if we want to think about what kinds of government action, what kinds of action by others we need; what should everybody be doing, how and when. We need to understand more about, what is the underlying issue here. So, for us the issue is a crisis of foundational liveability, and this challenges mainstream policy thinking that more growth, more jobs, more productivity, and somehow everything will be okay for us citizens. So that is the first part of the presentation: it is a reframing of the problem around the idea of liveability, Then the second part is what should we do about it, and here I want to make the argument that what we need is a distributed and dispersed social innovation. It is not one thing or two things or three things, it is lots of things by lots of people and things we don't even necessarily know how to do already. The ideas in the presentation draw on the recent book "When nothing works – From cost of living to foundational liveability", which introduces the idea of foundational liveability.

So, the first part of the presentation is thinking about how do we understand the crisis conceptually and empirically as a crisis of household liveability. If we want to think for a minute in a conceptual way, then what we do in this book is to introduce the idea of household liveability as a way of understanding how not, only the cost-of-living crisis, but other crises that we encounter, affect us as individuals and affect us in different ways. Now, one of the critical shifts is away from the idea of us as individuals – we are workers, we are consumers – to the idea of households. This is not households in the normative sense that we should all live in units, and that these necessarily are happy places, but it is a pragmatic reflection that we live in households and our liveability is shaped by a variety of things. Who do we live with? How are we able to pool our income? Can we share expenditure? Do we transfer wealth to each other? Where are we located? Our experience of liveability also reflects the physical location, and what we can access, and how easily we can access those things. So, the household is in a sense not a normative thing, it is just a reality where we are and our experience within households can be very different. When we deal with averages it is very easy to miss the critical differences in experience between households of different types. The argument here is that the liveability of households depends on a number of things, we could characterize it very simply as three pillars.

The first is the access to and the quality of essential services; this is really the foundational economy. It is all those providential things – health, education, care, the material infrastructures, the transport, the energy, the water, the telecom networks, those everyday infrastructures. It is important how those are accessed, what is the quality like, do they serve our needs.

The second pillar tends to get much less scrutiny but is important in complementary ways, and that is the idea of social infrastructure. So that is about the green places, the places for leisure, the places for socialization. It includes both places and spaces, but also human activities in those spaces and enabled by them, like a youth club

in a community centre or a walking group in a park. Social infrastructure is important both for individual and collective welfare, but much more difficult to measure, as it contains many different things. But it is very important, and again where the household is located will affect the access to these things. And then thirdly, is income. We are not saying income doesn't matter, but we are interested in the idea of residual income, that is the income available after wages, benefits, taxes, and the cost of essentials.

It looks like a very static framework but obviously it is subject to changes, it can be improved, it can be degraded and of course it has to adjust to our requirements to live within planetary limits. This is really important because in a sense we have this duality of how do we improve liveability while also improving sustainability. As we know the foundational economy is critical in terms of the need to decarbonize but the foundational economy is also critical in terms of its importance in improving liveability, so those two things are very difficult to separate. This is a simple conceptual framing, and if we think empirically, we can try to understand more about what the problems of liveability are and what then might be some of the things that could be done to improve it.

I am just going to talk about the UK, because as soon as you start thinking about liveability, you have to focus on very specific conditions which may differ across countries. In the UK the liveability story is one of all of these pillars crumbling, there is a weakening in all of the pillars. If you think about public services, we have had an extended period of austerity, we have had the stress of Covid-19 which affected health services, but it also affected things like public transportation, and in the UK demand for public transportation has not yet recovered to the levels before Covid. You get stresses in different systems, in different kinds of ways. You may find this shocking, for those of you who are not from the UK, but in England there are seven million people waiting for health treatments. You can see there is a huge failure of this system which affects all kind of other things. The other side of that is a rise in out-of-

pocket medical spending. Even though we have a national health system which is free for everybody to use, there is a growing private expenditure of people paying directly for consultations, for treatments. That is a sign of a stressed system, and it changes something that should be universal and equal to being something that is highly unequal.

Or take the transport system: we have seen a decline of more than a quarter in the number of miles traveled by buses. Buses are unglamorous, but they are the workhorse of public transportation systems, especially outside big cities. You see declining provision and that then escalates into declining use, less revenue, more cuts to the service. So, you're in a vicious downward spiral of foundational provision. And you can highlight particularly the vulnerability of lower income households – this is where the household comes in. Access to good quality public transport affects the bottom half of the income distribution households much more significantly. Because the value of the in-kind-benefits – that is the imputed value of free services like health and education or subsidized transport- through the redistributive system, is for the lowest household equal to the cash wages and benefits they get. Even if you go up through the income scale to the median household, they still get around about 13,000 pounds/ 13,000 euros per year of benefits-in-kind: healthcare, education, subsidized public transport. Even though it is degraded, it is still hugely important to the extent that those lower income households could not pay for equivalent services, while of course higher income households can do so. We see this kind of growing inequality of access to public services on top of the austerity-driven decline.

If we look at the social infrastructure then, again, the impact of austerity over a relatively long period of time really shows in the condition of social infrastructure. In the UK most social infrastructure, those hard places and spaces, are mostly paid for by local authorities but extended austerity has meant that these services have been systematically cut, in order to protect the statutory

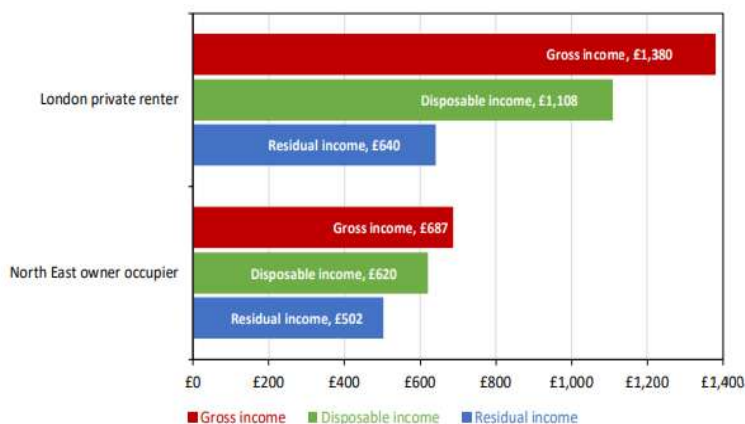


Figure 1: Gross, disposable and residual income comparison
Source: Presentation by Julie Froud

requirements to provide care for older adults and children. You have a loss of physical facilities, and that then affects the soft side of social infrastructure: organizing youth clubs, organizing activities, facilitating associations. And that is then compounded also by an unequal distribution of time. I know in Vienna we have some leading research on “how to include time in the foundational economy”. This is so important and we see real inequalities around time here, because social infrastructure depends on (often unpaid) work by individuals inside communities. So again, higher income households can partly pay their way out of this, you can join a private gym, you can drive your car to a green space. That causes all kinds of problems, but also you enhance the inequality of access to social infrastructure. So, what we see is the decline in social infrastructure as well. Then the third pillar, income – we come back to this idea of the income that matters is the household residual income. We can think about this as the income that a household receives from wages, cash benefits, after deduction of taxes, and then deduct the cost of foundational services. Now, obviously the question is which services to deduct. What we have done in recent work is to take a core group of foundational services – housing, energy, food, and transport – because it is hard to imagine any household that doesn't spend on these. There are lots of others that can be very significant, like childcare, but that only relate to some households. It is not to say that these four essentials are the only ones that matter, but these are sort of the baseline of foundational services that everybody has to pay for. And what that allows you to see is the residual income of the household after they paid for just these four basic services.

This starts to show very interesting patterns in terms of the size of households, the composition, the location of households, and the housing tenure. For example, if we compare a private rented household in London, with very high housing costs, with a household in the northeast of England, where there are lower wages and lower housing costs, what you see is that the gross income is much larger

for the London household. But as you deduct taxes, you get to disposable income and then deduct the cost of housing, you see that the residual income is much closer in these two households. The London-based household typically is larger, so the residual income per person is actually less in the high earning London household, compared with the low earning northeast England household. This is just one example but it shows that you can start to break down some very simplistic stereotypes about high-income and low-income places. It really depends upon the circumstances of the household: where are you based, do you own your home, do you rent, do you rent privately or socially? We can then layer upon that all kind of other things. That is the kind of idea of liveability. We have gone further, as I have mentioned earlier, and we started to look at the idea of foundational liveability across a number of different countries. Initially we have looked at six countries in Europe, and the motivation here was also to see how residual income is being shaped by the cost-of-living crisis, this immediate crisis that we are dealing with.

The graph shows the lowest income households, but because of the way national statistics in different countries are collected, it is not exactly the same sample in each case, but it is the lowest 20 percent, or the lowest 17 percent of households by income. Also we have to consider total expenditure rather than income due to the available data. For the lowest income households total expenditure and income will be very similar. There will be larger differences for higher income households who save some of their income, of course.

Firstly, as you would expect, between 2021 and 2022 the cost of household essentials has risen as a percentage of overall expenditure. These lowest income households are likely to have reduced consumption of food, energy, transport to deal with the cost-of-living crisis, but even so, the percentage of their total expenditure on these things has risen. So the first thing we see is a worsening liveability crisis, but you also see interesting differences

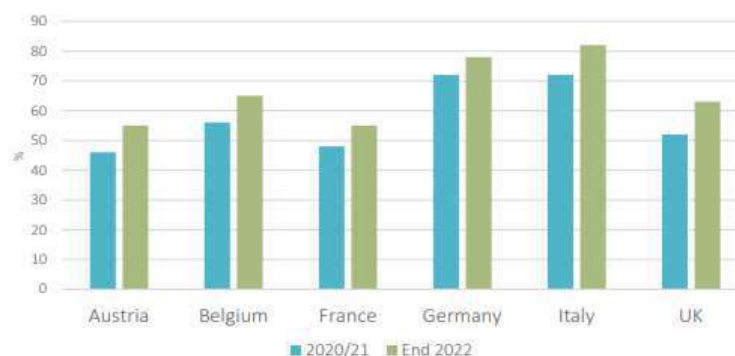


Figure 2: Expenditure on housing, energy, food, and transport as percentage of total household expenditure for lowest income households

Note: the countries are not directly comparable as the 'lowest income' group varies. Austria, France and UK: lowest two deciles (20%); Belgium lowest quintile (20%); Germany lowest sixth (17%); Italy lowest quartile (25%)

Source: Presentation by Julie Froud

between countries. You can compare for example Austria and Germany, you can compare France and Italy, and you see the very large differences between how much low-income households are spending on housing, transport, food and energy. I could ask you why we might observe such big differences, and I am sure you are going to tell me what the answer is, so I am not going to let you linger. But obviously the big driver here is housing, and the availability of low-cost housing. It is really striking because those four foundational economy costs are all very important, but housing cost is the biggest driver. As we are here in Austria, you can appreciate that the wide access to low-cost housing is something that really improves the liveability of low-income households.

The chart here shows both the housing cost per month as a percentage of total expenditure, and the absolute amount that those low-income households are spending. In both cases there are big differences between Austria and Germany. In Germany, households spend almost twice as much of their total expenditure on housing as in Austria, and you can make the same comparison between France and Italy. It is really striking that countries which might appear quite similar have very different patterns. Now of course, housing costs is only one dimension and if we take a liveability perspective we need to think about qualitative aspects as well. We need to think about the size of the accommodation, is it large enough for the inhabitants, is it energy efficient in terms of sustainability; to what extent are houses of good quality for the future, are they secure, are they in a good location where you can access good work, can you access public services and social infrastructure. So it is not simply about cost, but cost is one relatively easy way to measure differences between different kinds of households.

You can develop that a little bit if you compare the amount that households spend on housing, and then contrast the lowest income group of households with the highest income group. In most of these countries the

highest income households spend a smaller proportion on housing. The only exception is France, where they spend a little bit more. Higher income households spend relatively less on housing, but of course they spend a lot more in absolute terms which is the bottom chart. This means that the higher income households can afford a bigger house, a more energy efficient house, a better location and they are still spending relatively less than poorer households. We have this huge kind of liveability inequality, which the data here illustrates, and this one way to think about how we might empirically explore liveability.

That is a taster, so now on to more a difficult question of what we are going to do about all of this. If we accept that the idea of liveability is a useful way to think about the different experiences of households, and as a way to bring liveability alongside sustainability, what are the kinds of ways of thinking about responses? This might sound a little bit negative as a way to start, but I think we need to be realistic about the limits of existing forms of governance of the foundational economy, whether it is the state or markets. The welfare state does a lot of things very well – those mechanisms of redistribution that create the benefits in-kind, the cash benefits, the social security – those things of course underpin liveability particularly for the lowest-income households. So that is essential and should be defended, but the extent to which those mechanisms can be further extended to deal with liveability, I think is a difficult question because of the politics. There is a very high political risk around the extent to which those welfare state mechanisms can be used further to improve liveability and sustainability, and there is a lot of resistance by politicians to increase taxation. Wealth is an obvious area for more taxation because wealth inequalities are even greater than income inequalities. Yet, this is an area where politicians are often very reluctant to go. That would be a nice easy way to say let's just redistribute more and improve liveability for those lower income households but it's not clear politicians will take this up.

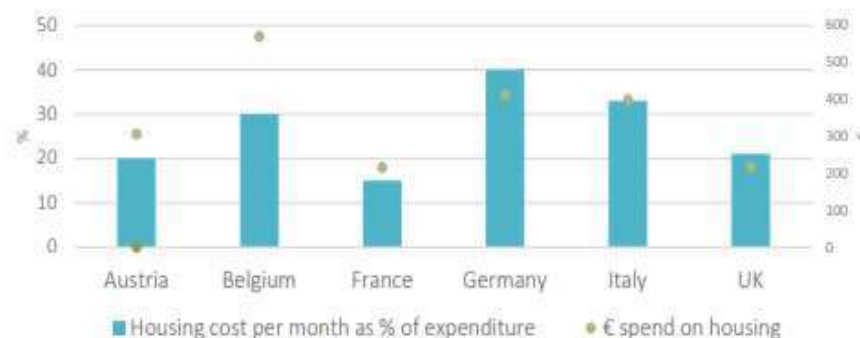


Figure 3: Housing costs for lowest income households

Note: the countries are not directly comparable as the 'lowest income' group varies. Austria, France and UK: lowest two deciles (20%); Belgium lowest quintile (20%); Germany lowest sixth (17%); Italy lowest quartile (25%)

Source: Presentation by Julie Froud

If we now switch to the market – the idea of market citizenship or market entitlement – we know that is problematic as well. There was, before the cost-of-living crisis, this kind of implicit social contract that we could use global markets to procure food and energy cheaply. And to some extent that worked, particularly in the area of food (if we ignore all of the issues around so-called cheap food). But the cost-of-living crisis shows us the vulnerabilities of that assumption, and it is not clear at all given the climate crises that we are going to go back to cheap food being available globally, and cheap energy. It is not at all clear that market governance is going to be able to address the liveability issues that we have.

So, there are problems with state and market. The question is whether these two systems that we have relied on can deliver further benefits, given different kinds of obstacles. If we think about the extent to which either states or markets can address the current liveability challenges, we know the easy one is we look at markets. If we think about housing markets becoming financialized, we know they cannot address the problems of the housing crisis. We also know that markets cannot organize the kind of liveability improvements that we need: the retrofit of housing for energy efficiency, improving the quality of public food, enhancing the kind of modal shift in transport from private to public transport. There are complex problems that markets are not going to be able to solve for us, and I think that is probably not a controversial thing to say in this room.

But equally look at governments. What are government going to be able to do? I think there is a problem that government increasingly involves a lot of long range targets: like, net zero by 2050, tick, that is done. These are front office promises- we’re going to deal with migration, we’re going to deal with cost of living – but there are a lot of disconnection between high level political promises

and the ability to deliver. What we are seeing increasingly is that when we bring the sustainability issues in, we see the creation of false enemies. Green policies being labeled as “woke”, or unaffordable, reflect long-term targets becoming increasingly politicized and politicians finding it difficult to deliver on those. And then if you think about the other end of government, behind the promises there has to be capability to deal with things and that capacity has been deteriorated with increasing reliance on consultants, or public private partnerships. It is not clear that those capabilities of government, whether it is federal government, state government, or local government, are in place. There is a further issue which is that, if you wanted a very effective response to the cost-of-living crisis, you would need to have a much better idea about which households need critical support, rather than spending a lot of money giving support to households who can manage without. To target funds much more effectively requires the kind of data that generally does not exist.

We are arguing that we need a kind of new politics of improvement. Starting with the idea of liveability, taking social infrastructure more seriously, thinking particularly about housing: how do we improve not only the cost of housing, the affordability, but also the quality of housing; and how do we then, at the same time, think about the difficulties of staying in planetary limits? On the one hand, we can see a very tempting scenario that, if we can decarbonize the foundational economy, if we improve the foundational economy, we improve liveability and at a theoretical level you can see the foundational economy framing gives us something that we can work on. However, the question of how we do that – I think – is not entirely resolved, and politicians often tend to focus on technology substitutions. Switching from internal combustion engine vehicles, to battery electric vehicles – that is not fully dealing with the complex situation, as we know.

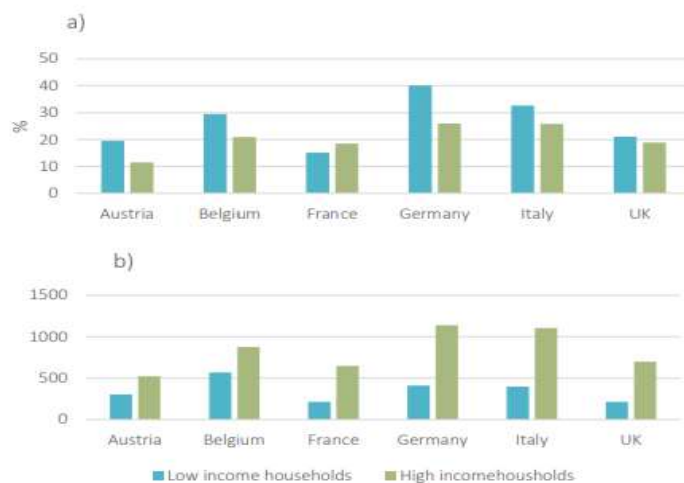


Figure 4: a) Housing cost as percentage of total household expenditure
b) Household monthly expenditure on housing in Euros

Source: Presentation by Julie Froud

I think liveability is a very powerful offer because it gets to the center of the things that matter, but it doesn't necessarily deliver a single program of things to do. We are going to need all kinds of social innovation that are targeted at particular parts of the foundational economy. You can think about health and care, community-based services, social prescribing: that is where social infrastructure again becomes very important for delivering some of those things. Not everything is going to be sorted out through high level technology. We need to think about time – if you want to improve liveability, it is not simply about money, particularly for low-income households, it is also about providing more time through child care, better public transport, a four-day week. One of the problems with the foundational economy is that the systems are very diverse, they are managed at different kind of levels, they are regulated at different levels, they are provided by different groups of actors. We need to think specifically about: where are the points of intervention, who are the actors, where can we do things, in what places are the actions taking place.

On the outer circle of national or transnational level, we can think about things like social tariffs, funding frameworks for public transport, but what then is inside that might be in the control of intermediary actors, local organizations. How do we think about different kinds of interventions with different groups of actors?

If you think about the many kinds of social innovations that we are going to need to address liveability and sustainability, there is not a toolkit that is going to deliver all those things. We need to break with mainstream thinking about the economy and jobs and skills and technology as being the main things that are currently preoccupying policy, and we need to think about how do we develop social innovation? how do we turn those high-level promises into things that can be worked on, not as kind of top-down schemes, but as bottom-up alliances of different actors. I am not suggesting that communities solve their own problems – far from it. What I am saying is, we need alliances of actors who can do different things. Some actors have creative agency – often state actors are not very creative – other actors know how to do things. We need actors with financial resources and balance sheets. We need actors with community legitimacy, so that communities have more say in how liveability and sustainability are addressed. We need technical and management competencies, and it is very hard to find all those capabilities in one place. The idea of alliances is that you bring together different kinds of actors: housing providers, health providers, community groups, local administration. We need to also understand the importance of place. Because foundational systems are delivered in places, and places have different characteristics. To conclude, I think it is fair to say that we, as engaged academics and as practitioners, have very large agenda of things that we need to think about but hopefully we are going to get somewhere with that.

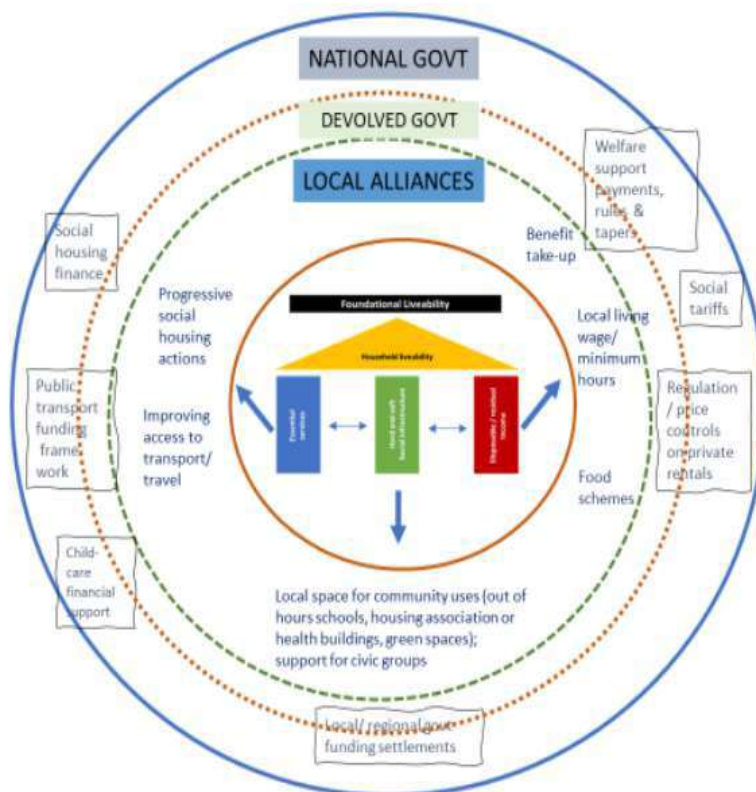


Figure 5: Multilevel structure of the foundational economy
Source: Presentation by Julie Froud

Welfare in degrowth transformations

Keynote at the 6th Foundational Economy Conference

Max Koch

My talk is about welfare in degrowth transformations, and the point of departure is the climate and planetary emergency. I will suggest a way how degrowth transformations may be theorized and draw some policy implications from this, specifically in relation to the role of the welfare state. I will also introduce some recent empirical findings about studying degrowth transformations, both qualitatively and quantitatively, and draw some conclusions.

The IPCC (2022) and Alliance of (over 11,000) World Scientists (Ripple et al 2019) call for 'bold and drastic transformations' in this decade to meet the Paris climate targets. I quote from the World Scientists' report:

'Economic growth must be quickly curtailed' to 'maintain long-term sustainability of the biosphere'... The goals of economic and other policymaking 'need to shift from GDP growth ... toward sustaining ecosystems and improving human well-being by prioritizing basic needs and reducing inequality.' (Ripple et al 2019)

This conclusion echoes comparative studies by Timothée Parrique et al (2019) and Helmut Haberl et al (2020). Both indicate that attempts to absolutely decouple GDP growth from resource use and greenhouse gas emissions either failed or did not reach the extent necessary to meet the Paris climate targets. The policy implications from this are that 'decoupling needs to be complemented by sufficiency-oriented strategies and strict enforcement of absolute reduction targets' (Haberl et al) as well as a de-prioritization of GDP growth as overall target in policymaking (Parrique et al).

I am going to talk a little bit about degrowth and how we conduct research in this field. I start with a bit of a shorthand definition. Timothée Parrique, who has studied this in detail, tells me that there are actually over a hundred different definitions of degrowth in circulation these days. Yet I think the following can serve as common lowest denominator: From a degrowth perspective, the

economy is seen in the first place as a biophysical process, or, in Marxian terms, as use value producing rather than exchange value producing. Degrowth is about reducing the matter and energy throughput, and the scale of the economy via voluntary changes in production and consumption patterns. It is a 'right sizing' that is to be democratically deliberated without undermining critical levels of wellbeing, and it should be started in the global North as soon as possible to open development space for the global South, thereby also considering the colonial past.

I am interested in degrowth transformation basically because I came to agree with a lot of other researchers that absolute decoupling is rather unlikely in the near future; but I am also among those who would say that such a transformation is far from a "walk in the park". A transition to a post-growth world would involve parallel changes in a range of institutions and values (Büchs and Koch 2017). For example, the welfare state has co-developed with economic growth in the post-war decades, and the two are still linked in many ways. Moreover, also the the legal apparatus, the media and the education system have expanded in parallel to the provision of economic growth. This means that a reduction in one of these institutions, or societal subsystems, would have implications for the others, potentially leading to dis-alignments and what Durkheim called "anomie" in relation to values.

The forthcoming book 'Deep Transformations: A Theory of Degrowth' (Buch-Hansen et al 2024) tries to provide a social theory capable of capturing the complexity of degrowth transformations, that is, in more advanced terms than just saying "oh this is very complex". Its theoretical framework is mainly based on Iana Nesterova's and Hubert Buch-Hansen's recent work on critical realism and degrowth, now combined with heterodox political economy, and Bourdieusian sociology for the more empirical parts. Following Buch-Hansen and Nesterova's (2021 and 2023) application of critical realism, the complexity of social existence can be understood along four planes of social

The (welfare) state in degrowth transformations (Koch 2020a, 2022a, b);
 increases in size in a first phase (nationalisations to phase out fossil fuel industry etc) only to shrink thereafter

Economic development: Interpreted as bio-physical process (use value orientation)	Spatial target	Economic and eco-social policies: Sustainable welfare and needs orientation through redistribution of wealth, income and pollution rights
States ensure that production and consumption patterns do not exceed environmental limits Define limits for economic and social inequality Steer governance network with collective, communal and private and actors	Global and local levels Global: Identification of thresholds for matter and energy throughput These delineate the leeway within which national and local economies can evolve	Management of mixed economy ensures provision of sufficient need satisfiers Directed at moving production and consumption norms towards social floors and ecological ceilings of the 'safe and just operating space' (Raworth 2017; Brand et al 2021; Khan et al 2023) Via corresponding 'corridors' (Bärnthaler & Gough 2023; Fuchs et al 2021)
Presupposes civil-society mobilizations, self-transformations of state employees and an expansion of its 'left hand' (Koch 2020a and forthcoming)		

Table 1: The (welfare) state in degrowth transformation
Source: Presentation by Max Koch

being, which is (1) material transactions with nature, (2) social interactions between persons, (3) social structures, including inequality structures, and (4) inner being, that is, the individual transformations that people would need to make to bring forth degrowth. The book also takes up three sites of social change: (1) business and the economy, (2) civil society, and (3) the state as well as various scales of practice (from the local to the transnational).

For the rest of the talk, I will focus on the role of the state in this transformation, with an emphasis on the welfare state, and an empirical study of degrowth transformations. In the book, we assume that the overall size of the state would increase in a first stage, only to decrease thereafter. It would first need to increase because the fossil fuel industry, especially, would need to be phased out as soon as possible. Hence, after nationalizing the fossil fuel industry, this sector (and accordingly the state) could shrink again. However, we envision some long-term role of the state because we cannot expect local communities to take care of nuclear waste, for example, for millions of years to come.

We are looking at three elements of state activity here: first, economic development would be interpreted as a biophysical process or use value orientation rather than exchanges value orientation. Here, states ensure that production and consumption patterns do not exceed environmental limits and define limits for economic and social inequality. Second, states steer governance networks with collective communal and private actors – an important issue here being what critical geographers call the 'spatial targeting of state agency' which would, in postgrowth circumstances, be the global and local levels. It is at the global level where thresholds for matter and energy throughput would be identified, including

remaining carbon budgets for existing states and local areas. This would in turn delineate the leeway within which national and local economies could evolve. The final element of state activity is the provision of sustainable welfare (Koch et al 2023) and associated needs satisfiers, achieved via a redistribution of wealth, income, and pollution rights. For this, we would need to see a renaissance in democratic planning, and a management of a mixed economy ensuring the provision of sufficient ecologically sustainable needs satisfiers for everyone with the state playing a steering role. In short, state activities within degrowth transformations would be directed at moving production and consumption norms towards an operating space between both social floors and ecological ceilings (Raworth 2017; Gough 2020; Brand et al 2021; Khan et al 2023). I recommend recent work on production corridors (Bärnthaler and Gough 2023) which originates in the Foundational Economy, complementing previous work on consumption corridors (Fuchs et al 2021) to guide this process. It should be added that such a reorientation in state policies would presuppose civil society mobilizations but also self-transformations on the part of state employees.

I would now like to show you some of the empirical work that we have done in Sweden in recent years. This may give you an idea of the rather enormous gaps we have to overcome to get somewhere near the caliber and orientation of change outlined earlier. I have tried to argue that eco-social policies should be oriented at both social floors and ecological ceilings. We have carried out two surveys that take up various policies that are discussed in the degrowth literature and beyond. These either limit something harmful in terms of caps or taxation – for example, the living space occupied by individuals, the number of flights, income and wealth, or meat

Degrowth transformational potentials of habitus groups by planes of social being (O = Open to Degrowth; S = Sceptical to Degrowth; elaborated from Fritz et al 2021)

	Passive anti-ecological conservatism (10%)	Self-centred privatism (8%)	Environmental centralism (21%)	Eco-modernist conservatism (16%)	Fossil liberalism (10%)	Active sustainable welfare (19%)	Moderate traditional welfare (16%)
Material transactions with nature	S	S	O	O	S	O	O
Interactions with others	O	S	O	O	S	O	S
Social structures	S	O	O	S	S	O	S
Inner being	O	S	S	S	S	O	O

• Bourdieusan methodology: Principal component analysis applied to a set of survey answers about social and ecological topics resulting in 8 eco-social dispositions. Subsequent cluster analysis resulted in 7 habitus types

Table 2: Degrowth transformational potentials of habitus groups by planes of social being

Source: Presentation by Max Koch

consumption – or enable something useful and necessary for the satisfaction of basic human needs (Lee et al 2023). Unfortunately, all proposals of limiting something turned out not to be very popular. Especially, the limitation of living space is beyond the pale in the eyes of Swedes. Limiting the number of flights is almost equally unpopular. When it comes to providing social floors, it is probably a Swedish particularity that universal basic income is rarely supported. Comparative studies confirm this. A totally different story emerged when we asked about so-called universal basic services – either provided for free or at a low fare – in relation to the provision of water, public local transport, electricity or the internet, which turned out to be in favor of half of the population or more. Hence, enabling people to satisfy their needs at a certain level via universal basic services is a rather popular idea, whilst limiting wants is not. We interpreted the same data using a sociologically more advanced approach: an application of Pierre Bourdieu to the eco-social space in Sweden (Fritz et al 2021; see Koch 2020b). According to Bourdieu, values, norms, political positions etc. are best understood in connection with social positions in which people find themselves and the so-called dispositions they develop during upbringing and socialization.

We found that there are seven so-called ‘habitus groups’ comprising of between 10 and 20 percent of the population. As we highlight in the forthcoming book, there is just one group completely in favor of degrowth transformations, and one group that is totally skeptical of them. Fortunately, the skeptical group of ‘fossil liberalism’ is only 10 percent, while what we call ‘active sustainable welfare’, which is closest to the social and ecological transformation we want to see, is almost 20 percent. Interestingly, all other groups are mixes. Hence, they are open to degrowth transformations or policies relative to some plane of existence, and skeptical to other(s). This mixed nature of habitus traits may be strategically ‘used’ in political mobilizing to convince the sceptics of degrowth positions also in relation to other planes of existence.

The final view I want to take is based on deliberative citizens forums. Following the ‘human scale’ methodology originated by Max-Neef (Max-Neef 1991; Koch et al 2021; Lee & Koch 2023; Lee et al 2023), we carried out 11 of these forums in Sweden with 84 participants. According to Max-Neef, one first considers negative needs satisfiers, then positive needs satisfiers and finally how to get from A to B. Participants deliberate on what they do in their day-to-day life in meeting their needs, how this may be done in a more or less utopian future and more sustainable ways, and what kind of policies may facilitate such change. For the book, we have selected just a few examples according to the three sites of transformation (civil society, state, and business) and the four planes of existence. If you take the intersection of social structure and the state, for example, we see pension policies based on employment records as negative need satisfier, because they contribute to an additional strengthening of the work ethic. Monocultures in agriculture are no good news for the material transaction with nature. Corporate social media is toxic for the inner being and any positive transformation at the personal level. Just to give you an idea of some positive need satisfier that came up, for material transactions with nature to improve, an expanded infrastructure for cycling and walking was seen as essential. A business approach highlighting sufficiency and localization as well as a share, repair and recycling economy would be equally positive. On the inner-being plane an emphasis on care rather than competition was likewise highlighted as helpful to foster degrowth transformations.

I have to leave it here and can only ask you to look up some of our previous publications on deliberative forums and, especially, to check out Iana Nesterova’s and Hubert Buch-Hansen’s work on what should actually grow and what should degrow during degrowth transformations (Buch-Hansen & Nesterova 2023).

I wrap up by pointing out that deliberative forums are something that can be used as a kind of alternative: A

different way of interacting between researchers, activists, policymakers, and lay persons where we can learn from each other – and convince the remaining skeptics about the necessity of entering a degrowth path. For this to

happen, such deliberative exercises would need to be done on much greater scales than in our research.

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Caring Societies? Feminist Lessons for the Foundational Economy

Keynote at the 6th Foundational Economy Conference

Corinna Dengler

It is really a great honor for me to open the second day of the Foundational Economy Conference with this keynote on care. The title of my keynote is “Caring Societies? Feminist Lessons for the Foundational Economy”. The question that is guiding my talk is: How do caring societies and a foundational economy resemble each other and what can foundational economy scholars learn from feminist perspectives on care. So, I will start by briefly outlining what I mean when I talk about “caring societies”, then discuss some common denominators between caring societies and the foundational economy, and finally make some propositions that can give some food for thought for the rest of the conference on what foundational economy scholarship can learn from feminist research on care.

When asking "What are caring societies?" that is obviously a very broad question, and I would like to start with the basics by reminding us of what care is. It is useful here to distinguish narrow from broader definitions of care. More narrow definitions of care – which are the definitions of care as care work – are what we usually deploy in feminist economics. When feminist economists talk about care work, they talk about work that entails an interpersonal caring relationship mostly defined as a caring activity provided by a caregiver to a care receiver. Examples would be care for the elderly or childcare – both resembling each other in the content of this work. The work contains some very specific characteristics that distinguish care work from other kinds of work. One of the characteristics is the limited autonomy of the care receiver, if we think, for example, about a child that clearly cannot provide for itself. Not being able to care for yourself also has to do with vulnerability and with asymmetrical power relations between the person that gives care and the person who receives care. It has to do with emotionality and more than anything it has to do with dependency. A person who needs to receive care depends on the care given. In her 1993 book (i.e. "Moral Boundaries: A Political Argument for an Ethic of Care"), feminist philosopher Joan Tronto distinguished four phases of care. The first one is “caring about” which is about noticing a care need, the

second one is “taking care of” which means assuming responsibility for the care needs that one has noticed, and then the actual “caregiving” and the “care receiving”. Regarding narrow definitions of care, I think one thing that we should remind ourselves is that the term “care work” does not say anything about whether care work is paid or unpaid, or whether it is provided in the markets, the state, in a community or a household. What defines it as “care work” are the aforementioned characteristics, such as limited autonomy, vulnerability, asymmetrical power relations and emotionality. Broader definitions of care go beyond narrow definitions and regard care, for example, as a cornerstone of a social-ecological transformation. The Care Collective (2020: 6) defines care broadly as an “individual and common ability to provide the political, social, material, and emotional conditions that allow a vast majority of people and living creatures on this planet to thrive – along with the planet itself”. This broader definition also shifts the focus, so we now talk about caring societies, a caring economy, or caring cities. Care has certainly become a bit of a buzz word – everything can be caring. In those broader definition, the fundamental dependency of narrow definitions is somewhat replaced with a notion of interdependency. In her 2013 book "Caring Democracy: Markets, Equality, and Justice" Tronto adds a fifth phase to the four phases of care: a phase that she calls “caring with”. “Caring with” focuses on mutual aid, reciprocity and solidarity – thus, foregrounding interdependence.

Keeping those two definitions – the more narrow and the broader ones – in mind: What do I mean when I talk about caring societies? Thinking about caring societies always starts from the status quo and the care crisis, which is a crisis of, on the one hand, paid care work where paid care workers face overwork, underpayment and precarious working conditions. But it is, on the other hand, also a crisis of unpaid care work, where care work is basically not regarded as work at all. So, starting from the care crisis and the interlinkages with all other forms of crises, like ecological crises or the crisis of democracy, what does a caring society actually look like? Caring

societies more than anything have to acknowledge that “the foundations and the wealth and well-being of the world rest upon the sphere of social reproduction and the labor of care” (FaDA 2020), as we have written in the 2020 Covid statement of the Feminism and Degrowth Alliance. Caring societies follow broader definitions of care that focus on interdependency and relationality but – and this is really one of the main messages I want to carry across – it cannot be a caring society if it does not embrace actual care dependencies. It cannot all be about interdependencies, if it is not acknowledged that there are a lot of people that actually depend on care, and these care dependencies need to be collectively take care of. Moreover, caring societies are highly stratified and venture beyond communities. I have done research on caring commons and emphasize their potential but do acknowledge that caring societies moreover require a multi-level perspective. Such a perspective analyzes different actors that provide care and suggests policies that create the social and spatio-temporal infrastructures for people to care. Lastly, it is important to say that a focus for caring societies has to lie on the question of how to provide good care for all with in planetary boundaries and without reproducing intersectional inequalities. I think this last part is important because good care for all does not only mean good care on the receiving side, which is already far beyond what we have now, but it also requires us to ask who provides care and under what conditions. Recent data from the Chamber of Commerce here in Austria shows that 98 percent of the 24-hour nurses in Austria do not have Austrian citizenship. More than half of them are from Romania, which makes the fact that Austria currently blocks the accession of Romania to the Schengen zone even more cynical.

Leading over to the topic of this conference, how do caring societies and foundational economy relate to each other? I think there are many commonalities that we can draw upon. For example, the foundational economy perspective basically regards economics as a study of provisioning goods and services to fulfill societal needs and this is something that has also been core to the social provisioning approach in feminist economics. Moreover, the focus of foundational economy scholarship lies on collective consumption and infrastructure, and this resembles care research. Andrew Sayer (2019: 42) stresses that „we must depend on others to provide for us, as we must, in turn, care for them“. There are more common denominators between caring societies and foundational economy scholarship: For example, foundational economy policy frameworks are also interested in the paradoxical relationship between societal relevance and underpayment of foundational work which is a phenomenon that in eco-feminist literature has been called “housewifization”. Both foundational economy scholarship and feminist research on care talk about a shift to more localized, contextualized, embedded, and embodied forms of provisioning. So, I think there are really a lot of synergies and common denominators.

However, I also see some gaps in foundational economy scholarship and would like to suggest that it has quite a bit to learn from feminist research on care. Arguably, the biggest blank spot is the strong focus on the monetized economy. Bertie Russell and colleagues (2022: 1073) summarize it as follows: “Given the FE’s concern with those parts of the economy that support everyday life (education, healthcare, eldercare, childcare, food etc.) there is an intersection with debates on the work of social reproduction. Yet FE literature currently has a blind spot when it comes to unwaged work, which remains overwhelmingly performed by women. Current framings of the providential FE mostly limit their understanding to public services provided by the welfare state (such as unemployment benefits) or para-state (such as elderly care homes or sports facilities), and indeed to work that is predominantly waged.” There are some exceptions to this, for example one of the articles by some of the conference organizers refers to the foundational economy as a cornerstone for a socio-ecological transformation and puts a large focus on unpaid work. Also, this conference – not only in, but also beyond this keynote – establishes care as a cross-cutting theme throughout. So, I really think that there is a lot of synergies that we can draw up on. Now, I want to make some propositions on how to integrate care and feminist research more into the foundational economy framework. The first thing I want to talk about is what foundational economy scholars refer to as the core economy. As many of you will know, foundational economy scholarship distinguishes different zones: The core economy, the foundational economy, the overlooked economy, and the tradable competitive economy – with the foundational economy being the core interest.

We see some main distinction between the “core economy” and the “foundational economy,” as displayed in the table 3, which is based on the paper "Foundational Economy and Foundational Politics" by Joe Earle and colleagues (2018). On the one hand, we see the “core economy”, with its form of consumption being characterized as “non-economic because ‘we must love one another and die’”, examples for it being parenting or voluntary action. On the

	Form of consumption	Examples
Core Economy	Non-economic because „we must love one another and die“	Parenting, voluntary action etc.
Foundational Economy	Daily essentials via infrastructure of networks and branches	Material e.g. food, and utilities; Providential, health and care, education, social housing

Source: Earle/Froud/Johal/Williams: *Foundational Economy and Foundational Politics* (2018: 41)

Table 3: Form of consumption in the core versus the foundational economy

Source: Presentation by Corinna Dengler

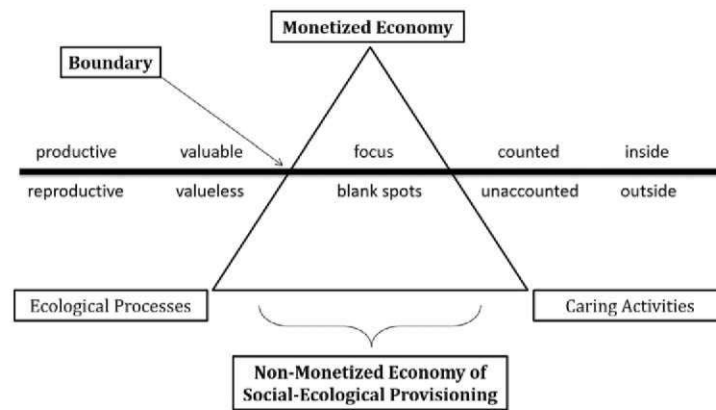


Figure 6: The “iceberg economy”

Source: Presentation by Corinna Dengler

other hand, we see the “foundational economy”, which is regarded as “daily essentials via infrastructures of networks and branches” like “the material or the providential foundational economy.” An analysis of the gendered nature of the core economy or the acknowledgment that the core economy is foundational for production processes and other economic zones is not really part of how the core economy is conceptualized here. So, this is quite different from how feminist ecological economics would conceptualize the economy, as can be seen in figure 6.

What you see here can be thought of in terms of what Maria Mies has called the iceberg economy. So, basically when talking about economics, what is referred to is almost exclusively the tip of the iceberg, the monetized economy, all that what is counted in GDP. That, which is seen as productive is the focus of economic analysis. Then on the other hand, we have all the parts under the water surface, which here you can see is the “non-monetized economy of social-ecological provisioning”, which consists of unpaid care work and ecological processes that sustain and basically enable every production process in the monetized economy. No production process at all would be possible in the monetized economy if it wasn't for unpaid care work. Such a reading of unpaid work is quite different from the conceptualization of the core economy in foundational economy scholarship because it really challenges a framing of the core economy as non-economic and emphasizes that non-monetized care work is an integral part of the *oikos*. Against this background, my first proposition is that we should regard unpaid care work in the core economy, which socially reproduces human livelihood, as a cross-cutting rather than a separate zone, which constitutes the foundation and the *infra*-structure of all other economic zones. Again: Nothing could be produced in the monetized economy from nine to five if it wasn't for the social reproduction happening from five to nine.

This also links to the second proposition I want to make, which has to do with the question of what we regard as infrastructures. Here, I want to tell you an anecdote.

Last year I was at the “urbanize!” festival taking place here in Vienna at an event that discussed cultural and social infrastructures as the glue that holds together neighborhoods. The workshop was opened with a short documentary, which was about so-called “Häuser der Begegnung” (houses of encounter), which were multifunctional buildings built in Social Democratic Vienna from 1960 to 1980. The documentary took a refreshingly unconventional approach: Instead of portraying the convivial encounters taking place in these houses, the filmmakers Markus Rupprecht and Laurenz Steixner zoomed in on what is commonly invisible. They portrayed the building technicians of three of the houses to guide us through the infrastructure, i.e. the structures that lie below and eventually enable coming together in those houses of encounter. But the people who sustain the space in this documentary, three of them, were portrayed as rather homogenous: they were all men, according to their dialect all from Austria, responsible for the pipes, the heating systems, and the technologies that uphold the system. Well, it is nice that those men uphold the space and eventually enable coming together in the houses of encounter, but only partly so, because how about the cleaning person, quite likely a migrant woman, without which none of these encounters could have happened. How about the people and structures that take care of the caring responsibilities of those people who want to attend events in the houses of encounter and thus enable their participation in the first place. I think what the anecdote reveals is that it is very easy to fall prey to a technocratic understanding of what infrastructure is, for it to be all about pipes, cables, roads and men. My second proposition has much to do with a paper I really liked by Sarah Marie Hall on social infrastructure as social reproduction, where Hall (2020) says that from a feminist perspective, infrastructures not only concern physical infrastructure or social infrastructure defined as “social spaces [...] such as community centers, parks and libraries” (ibid.: 89). Rather, they should embrace “social infrastructure as social reproduction” (ibid.: 83) and foreground questions of labor, gender, and care.

My third and last proposition is about the question: Which debates do we regard as foundational? One example I want to talk about here are debates on provisioning systems that have also informed foundational economy scholarship quite a bit. Marylin Power in 2004 has written a paper on "Social Provisioning as a Starting Point for Feminist Economics". Her social provisioning approach also serves as a point of departure for 50 chapters of the 2021 published "Routledge Handbook of Feminist Economics". Within feminist economics, you won't find one person that hasn't worked with – or at least heard of – Power's social provisioning approach. Some major distinction between debates on provisioning systems on the one hand, and feminist debates on social provisioning on the other hand, is that the latter takes an intersectional approach to paid and unpaid as well as material and immaterial dimensions of social provisioning processes. However, as my friend and colleague Christina Plank and I have shown in a recent contribution to the provisioning systems debate, there is barely any literature on provisioning system scholarship that draws upon those chronologically much older debates of social provisioning in feminist economics. Another example that holds more for the German-speaking world is a resemblance of foundational economy thinking and insights that the "Netzwerk Vorsorgendes Wirtschaften" (network caring economy) has pushed for more than 30 years now. The networks principles on care, cooperation and taking the essentials of a good life as a guideline is among the first contributions at the intersections of feminism and ecology in the German-speaking world. However, it is barely ever recognized as such. On Wednesday, and some of you might have participated, we have organized the webinar "Towards a Caring Economy: Netzwerk Vorsorgendes Wirtschaften meets Foundational

Economy" as an informal kickoff to this conference. In this webinar, representatives from the foundational economy collective and from the network caring economy discussed commonalities and how an engagement with feminist research on care can strengthen foundational economy approaches. But again, such spaces are rare and should be fostered. Against this background, my last proposition would be that, while some feminist buzz words get increasing attention, feminist literature is often structurally excluded from academic and policy debates. When foregrounding care, these early contributions should be re-valued as foundational for FE thinking.

To conclude, I see a lot of overlaps between the foundational economy and feminist perspectives on care and I think that FE scholarship and feminist research on care, a caring economy, and caring societies share a general outlook and normative vision of the good life (and good care) for all within planetary boundaries. I think that the synergies are far from exhausted and I will just repeat those three propositions: I propose that foundational economy scholarship rethinks their concept of the core economy, and really, that's an open question for me too, is it a cross-cutting zone rather than a separate one? Second, I propose reframing physical and social infrastructures from the vantage point of the social reproduction that upholds and sustains them, and third, I propose critical engagement with and a re-evaluation of the historical and current significance of feminist contributions. I am really impressed with the centrality of care in the conference, and I think it is a great example of how foundational economy and feminist research on caring societies can come together!

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Owning the future – building democratic ownership

Keynote at the 6th Foundational Economy Conference

Matthew Lawrence

Today, I want to talk about owning in the future, and how by reimagining property we can begin to refound the foundation. In particular I want to talk about three things. First, how is the foundational economy actually owned, what are the particular property arrangements, the particular bundle of property rights that own, shape, and govern the infrastructures, the relationships of the foundational economy, what is the dominant – and I'd argue the socially antagonistic form – of ownership. Second, Britain as an example for other European countries of what not to do. I really want to focus on is looking at work we've done over the last 18 months or so, looking at the unique experiment that Britain's undertaken which is the scale and severity of the privatization of the foundational economy and how that links to the chronic crisis of unlivability that Britain has been experiencing for quite a while now. Then finally, we have to come up with solutions, so I want to end with thinking about commoning the foundations: what are the agendas, the coalitions, the inspirations for democratic control of production, and provision of life's essentials.

Much of the evidence I will be looking at comes from the analysis of two data sets Refinitiv and PreQuin, which is a sort of private equity-based financial database. Through getting under the bonnets of capitalist ownership models we seek to argue for and design alternative ownership models for just and sustainable society. I think the key really is thinking not just about redistribution of the present but reimagination of the future. How can we actually re-articulate, reimagine property relations rather than redistribute the present. Through that, there are three pillars that I want to repeatedly stress throughout which is this idea of democratization, decommodification and decarbonization. So, just to briefly lay the foundation, we understand the foundational economy as the shared material and social (and increasingly digital) infrastructures of everyday life. They provide the goods and services that we all depend upon, and which we need to access to live and thrive. By its nature it is therefore collective in design: in how it is funded and accessed, and how we

participate, produce, deliver, and consume the goods and services within the foundational economy. Through that collectivity there is systemic potential. It is worth stressing that the non-tradable character of much of the foundational economy shields it to a degree from some of the economic pressures that tradable sector faces. Therefore, there is actually more political autonomy, there is more opportunity to reimagine, to experiment. The foundational economy really stresses the economy's social construction. Through its focus on nurturing and welfare, and through public and not-for-profit provision it sets out an alternative to the present, that I think is really inspiring.

So how does that relate to the politics of ownership? What we have clearly seen, and this is really focused on the UK but I think in some way it is relevant to other experiences, are cracks in the foundation emerge. Erosion by a combination of austerity, outsourcing, privatization, financialization. We know this is a long and baleful list. Fundamental to this erosion has been a continuing reliance on market coordination and market-based entitlements, premised on a combination of private investment, market-based governance and private profitability to guide the delivery of foundational goods and services. In other words, instead of meeting societal needs through some planning and delivering that as a society we leave it to market-based metrics in which power and decision making is monopolized by owners of capital and its intermediaries. That leads to systemic underprovision of what we need to collectively thrive. Some of the stresses that this produces include the squeeze on residual incomes, the stretching of provision, the magnification and multiplication of insecurities, and of course the shift from public to private provision has also stressed to a breaking point the ecological systems upon which we all rely. That erosion, in turn, stresses, magnifies, and reproduces the existing gendered, classed, and racialized inequalities and oppressions that intersect and are reproduced every day.

What is the dominant property form that underpins the foundational economy? It is this sort of a toxic

combination of a private financialized, concentrated, exclusive, and exclusionary model of ownership that underpins and reproduces market-led delivery of the foundational economy. While the content might vary, the form is the same. We can see examples of private equity vehicles dominating ends of child care provision and adult social care in the UK, a significant role for publicly traded multinational corporations in delivery of utilities, the role of giant asset managers, and fundamentals like the water industry. While they may all in some ways look different, they all funnel upwards to the same beneficiaries in a network of internationalized and disproportionately wealthy asset holders. In other words, the foundational economy is in the grip of a web of extractive ownership models which has cracked the foundations. This is not by chance. It is a political project of predation that has transformed the foundational economy into a site of rentier extraction. This has been an active process of assetisation. It is not just about privatization, about the shifting from the public into the private, but it is about the nexus of law, of regulation, of tax, of macro fiscal regimes that have made it all easier for private owners to extract wealth and concentrate wealth out of the foundational economy.

Now I just want to turn to the UK in its unique experiment. There is this lovely line by Alberto Breck which says something like, to be truly radical put your finger on something, and ask how did it get here. What are the social metabolisms, what are the ecological catastrophes that have brought these things into our world, into the relationships that they have. If you put your finger on the ownership structures, on the financial flows - the metabolisms that sit behind the UK's foundational economy - you are led to similarly radical conclusions. Actually, there is an argument that it is very reasonable to have radical systemic change of how we organize the foundational economy. It is worth stressing just quite how unique the UK's experience has been. I am sure potentially others have caught up in the last 20 years but as trailblazers in some form at least. Since Thatcher came to power in 1979, until the early part of the millennium, almost half of all the value of privatised assets in the OECD occurred in the UK. And I think that story is inseparable from the crisis of unlivability that many are experiencing. It is important to stress that crisis vulnerability is not new, it has been revealed and extended in the UK, but many low-income households have been facing this chronic crisis for many decades now as a result of this transformation. It has exposed and underscored the inadequacies of marketplace provision. There is some work of scholars like Isabella Weber who spotlighted this and stresses the distributional conflict and its intensification. Some work we did early last year showed that the Financial Times Stock Exchange 100's (FTSE100) profits of non-financial corporations are up one-third in the last couple of years relative to the pre-pandemic average. Many of these companies are rooted right in the foundational economy, so we are

seeing rent and profits expand at significant social cost. I will start with adult social care, and as you know the care economy is deeply complex. Adult social care is only one form of it, and in some ways the unifying factor is that it is systemically undervalued. Despite its diversity, one thing it does share with many of the other sectors is it has been subject to these forces of privatization, financialization and austerity and that has changed the nature of provision of adult social care. For example, in the UK, roughly 85 percent of adult care home beds are now in the for-profit private sector which is almost a complete inversion of the equivalence of provision distribution from two or three decades ago. Key to this is the role of private equity-backed vehicles whose business models involve complex financial engineering. We looked at one firm, which has collapsed since, which had 185 different shell companies through which it distributed its profits. This is a strange way to organize the provision of care - I am not sure you need 185 Cayman Islands or so bank accounts. This certifies the intense financial engineering, debt-funded growth model and the worsening of care conditions. We saw that really brutally in the way that Covid revealed that mortality rates in private equity-backed care homes were significantly worse than cooperative and public care homes. In some ways this reflects the fact that in the UK private equity-backed adult care homes, are much more about being real estate owners, and their portfolios are much more about owning real estate assets than they are about care providers.

That centrality of real estate takes us to housing which is perhaps the UK's most famous for of all its various crises. Shelter, that most fundamental need, has been transformed by the logics of the asset economy and in some ways is the epicenter of the asset economy. This idea that your chances in life and economic security are increasingly defined by whether you own wealth, whether you own property. No crisis is natural, all crises have social origins and so we can see that this multiplying and multi-dimensional crisis in the UK around housing needs is the result of a 40-year project. The retreat of public provision, the retreat of public planning, the growth of market-led, for-profit delivery of housing, whether home ownership or for renting, and of course intense financialization. There are many losers of this crisis. We have seen a collapse in the building of social homes over the last 30 to 40 years. Unsurprisingly, that has led to a spike in this chronic waiting list crisis that we can see here: 1.2 million people were on a social housing waiting list in England alone last year. Within a few years we are expecting to see one in every five households in England living in unaffordable housing, a chronic emergency of the foundational economy. But some are winning. The UK is now the largest single home in Europe for Blackstone, the world's largest private equity real estate portfolio manager. Margins on private developers have gone consistently up in recent decades and the average net margin of residential company landlords listed on the London Stock Exchange is almost ten times

the FTSE100 average. I think complicating the politics of the foundational economy is that many homeowners or people with mortgages have seen the value of their properties go up significantly. That complicates the political coalitions we need to build. Energy, which is the energetic basis of any society and fundamentally shapes the social relationships, and the economic structures built on top of it, is the foundational input of any society. The UK energy is organized by a double extraction. There is of course the private dominion and extraction of natural resources, but then through the pervasive privatization of the energy system we see a second extraction: the extraction through household bills and other sort of forms of payment from households through to the shareholders of these energy companies. In, the privatization is more pervasive than anywhere else. Not one single element of the energy system in the UK remains in public ownership. If you look at the grid, suppliers, generators, distribution networks. For example, the city of Munich owns more of the UK's offshore wind than the British public in terms of public ownership. The scale of the sell-off is extraordinary, and it has created this rentiers paradise for fossil capital. BP and Shell, for example, have distributed 176 billion Pounds to their shareholders in the last decade, and they will be making record profits in the last year off exactly this crisis in energy provision in the foundational economy. What have they done with that? We found that BP in 2022, for every Pound invested in low carbon generation, it distributed 13 Pounds to shareholders, and invested eight to nine Pounds into further fossil fuel generation. This is a sort of an existential threat to humanity, the sort of nature of ownership and governance of these companies. There is a company responsible for rolling out our energy

infrastructure, the National Grid which is in fact privatized, and it has distributed almost 30 billion since 2003, despite chronic waiting lists to connect renewables because of their underinvestment. So, the ordinary people's bills are going up because this company is prioritizing distributing income to shareholders over investing in social needs.

Network operators, the sort of final mile in the system, have margins that are amongst the very highest in the economy. The graph above shows that the top three profit margins industries relate to shelter and the energy system, and the fourth to private equity, many of which is in the care sector. You can also argue that to access life's essentials you increasingly need search engines, so you can bracket that in there, too. And of course, wind power, despite being green capital, still is capital in the form of seeking to expand and accumulate.

What about mobility – the ability to move, the ability to connect? What we see is that there is a tight correlation between the degree of the publicly owned and publicly provided transport system and the quality of these systems. Most of the UK cities fair very poorly in terms of percentage of journeys to work using public transport (source: Conwell, Eckert, Mobarak (2022)). The best two performing cities in the UK, London and Edinburgh, are the only two that have retained publicly controlled and broadly publicly owned transport systems. An example of this transformational shift from public to private is that since the privatization of the municipal bus networks in the late 80s, the cost of taking the bus has doubled in real terms while the real term cost of driving has fallen by 12 percent. I guess water really is the foundational good,

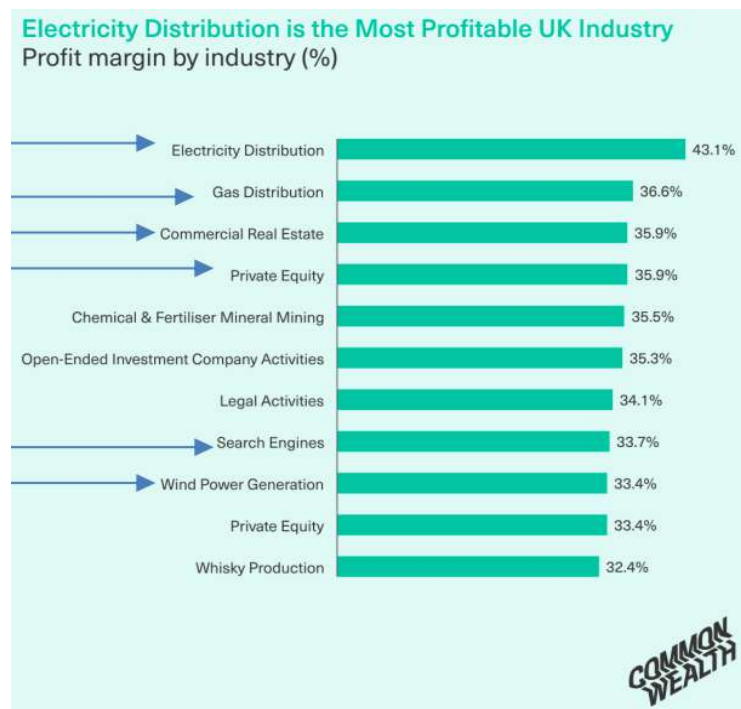


Figure 7: Profit as percentage of revenue by UK industries
Source: Presentation by Matthew Lawrence

and what we see is that Thames water, the largest water company in England, has paid out 72 billion pounds since privatization. In that time it is added 60 billion pounds worth of debt, even though its debts were cleared off at privatization by the government which is a rather kind of gift. I think what's interesting to note is, that Scotland and Wales provide counter examples as they have resisted the privatization of water. They have to a degree not-for-profit or public provisioning systems in Wales and Scotland, and they perform much better on almost all metrics – investment, service delivery, costs – than the largest nation within the United Kingdom, England.

A fairly dismal picture. Wherever we see private ownership and market coordination dominating the organization and provision of the financial economy, we see the same pattern in England or the UK: under investment versus staggering payouts for internationalized shareholders often intermediated through large-scale asset managers, and of course its management class; the CEO of National Grid was paid almost eight million pounds last year for example. We see systemic fragility in the business models and the offloading of responsibilities, inadequate and of course rapidly rising and costly provision, insecurity for workers and users which is the flip side of the attempts to squeeze up those margins, and as a result of residual income that is stagnant and squeezed. This isn't a malfunction, this is the system operating as designed. It is the system being designed as a site for the renierized extraction of wealth and its concentration upwards. So, I think what it tells us is, if we are going to build a need centered economy, a decommodified economy that displaces market coordination with democratic ownership and provision, we really have to take the property question seriously. It is not enough to just put more money and public investment into the foundational economy, if we don't sort of challenge these extractive models that sit behind the ownership and governance of the system. In other words, we have to rethink the property relations that structure the circuit board of the foundational economy. We need to think of the foundational economy as not reducible to financial asset or revenue stream; not really as a property, or something to be owned at all, but rather a set of rights and obligations, collective and public in nature. Stressing that property is not fixed and immutable and unchangeable, but it is liquid, and there are inherent possibilities to experiment and rearrange with it; that it is politically ordered, that it is backstopped by public authority, by social metabolisms, and therefore it is capable of really being rearranged. It is not like manna from heaven, market provided and ordained; we can actually rethink, experiment, and scale public orientated cooperative and common-based models of ownership and provision. We can see then an alternative mosaic emerging of bounded and squeezed-in markets, in which market actors can act, with users and workers who have fundamentally more power when they enter markets; an enabling state that both owns and delivers

at multiple scales, democratic forms of provision, but also invests and scales social innovation, and provides resilience. More resilient households that are attentive to the gendered inequalities within those households, a revived commons, whether that is land, data, or a whole sort of set of things we should think about commoning and strengthening. That alternative mosaic takes us back to the idea of decommodification, democratization and decarbonization.

What is a livability agenda? An agenda focused on needs over growth and accumulation, with:

- the idea of a living income; the idea of a minimum floor that no person will fall below;
- the well-developed concept of universal basic services of mobility and care justice through cooperative and public provision both waged and unwaged;
- decommodified housing, public housing, and the regulation the re-regulation of the private rental sector;
- a shift from an extractive energy system to an energy democracy which provides the basis through public ownership and community ownership of, what someone are calling the minimum energy guarantee - this idea that every household will have a block of free energy after which there would be escalating costs, but that minimum block would cover most people's basic needs;
- all this would obviously require a more active assets-taxing sort of fiscal state;
- new modes of economic coordination. How is price formation actually achieved - lift up the bonnet of markets, corporate actors, ownership structures that help shape that;
- it is not just about formal transformations and ownership, it is about the content, about democratic governance, about voices of users and workers in a sort of new mode of co-production;
- potentially above all, the redistribution of time. In a highly rentierized society, money in your pocket, as a fungible benefit, just gets extracted out to landlords or to shareholders of your energy companies, whereas time is a non-fundable benefit that we can all absorb and enjoy.

Finally, there are of course challenges as that agenda would directly challenge the interests of some of the most profitable corporates in the UK, and therefore some of the wealthiest owners of income bearing assets in not just the UK, but globally given the internationalized nature of

ownership of these sectors. So, how do we dislodge rentiers, particularly when we are traversing difficult terrain given the fragmentation of sort of social and political forces that might seek to overcome frontiers. Obviously, we need to move at multiple levels, but we can maybe start with a city as both inspiration and incubator. The city in general but, given we are here, why not use Vienna as inspiration: thinking about new imaginaries for infrastructural transformation through new ways of coexisting in the city; thinking about the heroic heritage of Red Vienna and its continuation through to today: thinking about collective resources and infrastructures to expand genuine freedom, communal luxury over private consumption – whether that is the playgrounds we see outside, public transport, and new forms of care or food systems. There is a whole array we can think about. To ensure that access to life's essentials, not so we can

just live but so we can thrive, is no longer contingent on the market but is a right of existence. That is a world in which we shift from the private to the public, from the extractive to the generative, from the growth-focused to the living-orientated. Above all paths, this is a challenge not of policies or analysis, but a challenge of politics. So, to re-found the foundational will require, I'd argue, a reimagining of the political. just in time.

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Laudatory Speech for the Egon-Matzner-Price 2023

Awarded to Christine C. Walker

Anna-Theresa Renner

Christine Corlet Walker receives the Egon-Matzner-Price for her paper “A critique of the marketisation of long-term residential and nursing home care” co-authored by Angela Druckman and Tim Jackson (Walker et al., 2022).

I think the relevance of the topic needs no further explanation, so let me begin on a personal note that, I believe, is quite illustrative: I just visited my grandmother at her nursing home, which is quite modern and beautifully located in a lively city, but is still half empty. Why? Because there are not enough trained nurses who are willing to work under the current payment and working conditions. This case is by no means an exception. For Austria, projections from 2019 predict an additional need for long-term care nurses of around 24,000 by 2030 – mostly due to increased demand (Famira-Mühlberger/Firgo 2019). So, the relevance of the topic for the economy and for state budgets, but also for private investors is quite obvious.

Let me now say a few words on the paper itself: at first sight, it seems a somewhat unusual choice for the Matzner prize as it was published under the category of “Personal View” – albeit in the *Lancet*. I believe that for the awarded paper this category is somewhat misleading as the authors do not simply put forward their own opinion backed up by selective studies or statistics, as is often the case in political and even scientific debates.

On the contrary, each of their arguments is based on long-standing, validated economic theories. The piece is hence far from an ideologically driven polemic but is a clear and concise description of the current state of the long-term care sector, firmly resting on empirical and theoretical foundations. It also offers an integrated view by discussing the linkages of the sector with general labour market dynamics, demographic change, and financial market forces. Last but not least, the authors offer concrete recommendations on how to transform the long-term care sector to ensure high-quality and sustainability in light of the current trend of commodification of care.

As you can see, I enjoyed reading the article for its substantial and well-researched arguments. I also enjoyed reading it in light of Egon Matzner’s own work. Especially his

edited book “Der Wohlfahrtsstaat von morgen” (Matzner 1982) – which literally translates to “The Welfare state of tomorrow” – provides a nice, almost historic, embedding for this analysis of marketisation and state intervention. The book was edited by Matzner and published in 1982, which for us now seems to be a time when the neoliberal worldview became mainstream and state interventionists became somewhat old-fashioned. Surprisingly, more than 40 years later, Matzner’s work reads quite timely. In the book’s preface, for example, Matzner mentions that what he calls the “financial crises of the state” cannot be solved by exclusively relying on either the market or the state. A debate about either/or is, as Matzner puts it, “unfruchtbar” (Matzner 1982: 15) – unfruitful.

What Matzner finds fruitful, however, is a thorough investigation of the circumstances under which one institution should be preferred over or regulated by the other, and what role the so called autonomous, or third sector, plays. Christine and her co-authors followed this request, probably unknowingly, by building their main argument not only on the current market structure of the sector, but also on the inherent characteristics of the provided services. The authors call these the “dual core of long-term care” – namely that care relies on time-intensive work with little room for efficiency gains in the long run, and the fact that demand is quite sticky or inelastic – once a person is in a care home a change of provider based on quality or price differentials is rather unlikely. These characteristics are the main reason for market failures in the care sector and justify or even call for state intervention.

While the paper by Walker and colleagues focusses on the long-term care sector, there are some generalizations that can be drawn from it. For one, there are numerous other sectors, especially in the foundational economy, that are amenable to similar problems and marketization forces. There is a long-standing debate, for example, in health economics, whether public or private ownership of hospitals is more efficient. The main problem identified in this literature is that certain outcomes, such as quality, are difficult to monitor. It has been shown conceptually and empirically, that this non-contractability of outcomes

leads private providers to invest in reducing costs, rather than in increasing quality (Sloan et al. 2001).

Second, I would like to point out an issue, which I think is exemplified beautifully in Walker's award-winning paper: the fact that to be able to criticize something, one needs to understand it. So, no matter how sympathetic we might be towards certain worldviews, we, as teachers and educators, need to make sure that our students – who are the next generation of economists– understand the neoclassical models that are still mainstream with their

notion of efficiency through free markets, so that they will be able to identify the shortcomings and failures of these models. This will allow them, as Christine and her co-authors have brilliantly shown, to critically dissect policies and regulations that were based on the promises of these neoliberal models. Again, I want to point out one of Matzner's appeals from 40 years ago, that we need to apply, both, dialectic and analytic methods – not only to avoid self-referential research but also to put a stop to the exploitation of dialectics for the justification of ideology-driven policies (Matzner 1982: 35).

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