

TACKLING THE RISE OF LIVING COSTS

TOWARDS A PROGRESSIVE
APPROACH FROM THE BALTICS

**3 - 4
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Institute of International
Relations and Political Science,
Vilnius University

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synchronous interpretation



FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES



FRIEDRICH
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BACKGROUND: WHY GATHER EUROPEAN AND BALTIC PROGRESSIVE FORCES NOW?

Russia's invasion of Ukraine, in addition to the COVID-19 pandemic, and its consequences has placed humanity's most pressing global challenges into the limelight. Climate change, rampant poverty, and the erosion of political and civic freedoms have resurfaced as political priorities because of the fundamental need to ensure food, energy and income security. The aim of the "Tackling the Rise of Living Costs" conference in Vilnius is to gather key experts and stakeholders to discuss what needs to be done to alleviate the societal burden of the extraordinary rise of living costs. In doing so, the meeting will provide valuable inputs to the progressive forces in the Baltics for further concerted action. The geographic location of the meeting is significant. In Lithuania, as well as in the Baltic region more generally the inflation shock is one of the highest within the European Union. Take Latvia and Estonia for example. Baltic democracies also suffer from high socio-economic inequality. Given uncertain economic growth, these inequalities could be a path for longer-term destabilization, which may also have broader repercussions within the EU.

However, this crisis comes with a disruptive potential for the European political and economic status quo. In other words, we face a real possibility of great transformation of our political and economic regime. What is at stake, therefore, is whether we will be able to both uphold and further enhance our core democratic ideals. This is the principal link that unites the conference sessions under the umbrella of progressive action. The conference includes three policy-oriented discussions involving experts and stakeholders. Each one of them deals with a concrete dimension of the societal contract affected by the rise of the living costs. Namely, macroeconomic governance, labour relations, and sustainable development. The conference will be finalized by a discussion between politicians – former European commissioners and members of the European parliament from the region. It will invite to reflect on the future for European integration, as an essential framework for implementing any sensible progressive innovations.

AGENDA

DAY 1

12:30-13:30 ARRIVAL & LIGHT LUNCH

13:30-14:00 WELCOMING REMARKS & **LAUNCH OF THE INSTITUTE FOR SOLIDARITY**

- **Liutauras Gudžinskas**, Deputy Chair of the Lithuanian Social Democratic Party (LSDP)
- **David Rinaldi**, Director of Studies and Policy, FEPS

14:00-15:30 PANEL 1

Tackling the rise of living costs via macroeconomic policies

In the wake of rising prices, the European Central Bank raised the interest rate. It also launched a new transmission protection instrument to quell a bond spread and calm down the financial markets. However, are these measures adequate to achieve their official goals? What should governments do in their own capacity to prevent an increase in poverty and economic imbalances? If at all, how do institutional structures need to be rearranged to ensure a more sustainable development of European economies in the long-term?

Inputs by:

- **A. Austers**, Associated researcher at the Latvian Institute of International Affairs, Visiting lecturer at the University of Latvia, and Riga Graduate School of Law
- **M. Jurgilas**, Partnership professor of Vilnius University
- **I. Schömann**, European Trade Union Confederation (ETUC) Confederal Secretary
- **J. Sommers**, Professor at the University of Wisconsin-Milwaukee, and visiting faculty at the Stockholm School of Economics in Riga

Moderated by **Eglė Samoškaitė**, Journalist at TV3

15:30-15:45 COFFEE BREAK

15:45-17:15 PANEL 2

Balancing labour relations in the wake of the rise of living costs

The European Union is about to finally adopt the Minimum Wage Directive. This act stipulates the benchmarks of 60% of the gross median wage and 50% of the gross average wage that every member state should seek. However, these goals remain non-binding. Will these be enough to ensure that every European worker receives a fair wage and is not destined to suffer from poverty? What are other crucial steps that could strengthen the social pillar of European integration? And how can we strengthen labour unions, in particular in those European countries, such as the Baltic states, where the collective bargaining covers only a fifth or less of their workforce?

Inputs by:

- **A. F. Arcarons**, Deputy director at the Office for the fight against child poverty
- **T. Leončikas**, Senior Research Manager, Eurofound
- **J. Navickė**, Associate professor of sociology at Vilnius University
- **I. Ruginienė**, President of Lithuanian Trade Union Confederation

Moderated by **Edgaras Savickas**, Business Journalist, DELFI

17:15-17:45 Lecture by Dr. **Ernst Hillebrandt**, Leader of the FES Program on Eastern Economies
Why Europe Needs Proactive Industrial and Innovation Policy Now

18:00-19:00 NETWORKING RECEPTION AT THE CONFERENCE VENUE

DAY 2

10:00-10:30 ARRIVAL

10:30-12:00 PANEL 3

Mobilising for the European Green Deal: the role of REPowerEU

The steep rise of the energy prices, as well as the geopolitical disturbances in energy supply chains, is putting increasing pressure on consumers, especially vulnerable households and prompted the governments to seek for various short-term solutions. How can the social cornerstone of “leaving no one behind” present in the European Green Deal be mobilised to achieve the twofold goal of a successful transition, and a more equal society? In what ways can REPowerEU ensure coherent policy action on this front with its threefold goal of saving energy, diversifying supply, and accelerating the rollout of renewables?

Inputs by:

- **K. Zálnoky**, Research Project Manager Cambridge Institute for Sustainability Leadership.
- **A. Gumbau**, EU Climate & Energy Journalist
- **D. Muth**, Junior Research Fellow at the Institute of World Economics, Centre for Economic and Regional Studies.

Moderated by **Kevin Le Merle**, Project Officer for Climate and Environmental Policy, FEPS

12:00-13:00 LUNCH BREAK

13:00-14:30 PANEL 4

Progressive Forces and the Future of the European Left

While the Conference on Europe’s Future has proved a worthwhile experiment in deliberative democracy, the momentum to keep building on it in practice seems rather uncertain given the volatility of domestic politics in various EU member states. The current cost of living crisis is currently increasing these tensions, however, it also provides a political breach for greater solidarity and renewed efforts to fight inequality. Against this background and also considering a notorious institutional inertia in the EU decision-making, what further actions have to be taken to make Europe stronger, more accountable, and socially just? What role can the progressive forces play to push for an improved situation for its citizens? What concerted political and civil-society actions emerge as necessary to move in the right direction?

Inputs by:

- **M. Ališauskienė**, Professor of Sociology at Vytautas Magnus University
- **L. Andor**, Secretary General, Foundation for European Progressive Studies
- **E. Odinets**, Secretary General of Estonian Social Democratic Party
- **G. Paluckas**, Deputy Chair of the Committee on Economics of the Seimas

Moderated by **Ieva Giedraitytė**, lecturer at the IIRPS Vilnius University

14:30-15:00 CONCLUDING REMARKS by **Liutauras Gudžinskas**, Deputy Chair, LSDP

15:00-16:00 NETWORKING COFFEE