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OVERVIEW OF MEGATRENDS AFFECTING LOCAL AND REGIONAL GOVERNMENTS (LRG)

Contents

OVERVIEW OF MEGATRENDS AFFECTING LOCAL AND REGIONAL GOVERNMENTS (LRG)

1.   Background

Despite the impact of the Covid pandemic, urbanisation forecasts continue to predict an increasingly urban world. The urban share of the world population is expected to pass from 56.2% to 60.4% between in 2020-2030.[1] Migration is a major contributor to urbanization, whether internal (rural-to urban) or across-borders. International migration accounts for about one-third of urban growth in developed countries.[2] Prior to Covid, more than 1.8 billion people worldwide lack adequate housing; over one billion live in informal settlements; and 150 million are homeless, while millions more suffer from insecurity of tenure.[3]

Urban economies continue to be the engines of economic growth, accounting for approximately 80% of global GDP.[4] Employment in urban areas concentrates 38% of the global workforce, accounting for most Covid-exposed professions, such as food, retail, manufacturing, tourism, and hospitality.[5] Cities generate 70% of global carbon emissions and consume two-thirds of the world's energy.[6]

2.   Urban and territorial inequalities

For more than two-thirds of the world's urban population, income inequality has increased since 1980.[7] Existing territorial inequalities have been exacerbated by the pandemic. Inhabitants of urban, peri-urban, and rural areas with scant access to vital public services such as health, affordable housing, safe public transport and social services have been particularly affected. Income-based and racialised urban segregation have relegated many to pockets of social exclusion and violence, with little perspectives for decent employment opportunities.

Lack of equitable access to the social determinants of health in urban settings - such as safe public spaces, green areas, recreational, digital, and cultural services - has taken an additional health toll on the physical and mental health of vulnerable populations. Unemployment, inadequate social security coverage, as well as privatisation of vital services, have adversely impacted those who cannot afford to pay for vital services, especially women and girls, precarious, low-skilled and informal workers, the young and the elderly, racialised groups, migrants and refugees, and LGBT+ people.

The pandemic has particularly exposed the injustice caused by the lack of investment in local public services, epitomized by the 'service desertification' affecting many territories - notably rural ones. If in developing countries cuts and underinvestment have been the consequences of austerity-led and digital-only delivery policy choices, public infrastructures and vital services in the Global South often remain insufficient and/or inaccessible to many.

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[1] UN Habitat, World Cities Report, Nairobi, 2020 https://unhabitat.org/sites/default/files/2020/10/wcr_2020_report.pdf
[2] Ibid.
[3] Cibrario, D., "Strong Public and Social Housing Services: A Key Asset in halting Global Pandemics", PSI, Ferney-Voltaire, August 2020, https://bit.ly/2ROQchr
[4] World Bank, "Urban Development", 20 April 2020, https://www.worldbank.org/en/topic/urbandevelopment/overview
[5] International Labour Organization (ILO), ILO Monitor: COVID-19 and the World of Work, fifth edition, 30 June 2020.
[6] UN Habitat, World Cities Report 2020, Nairobi, 2020 https://unhabitat.org/sites/default/files/2020/10/wcr_2020_report.pdf
[7] Ibid.

Matched with the imposition by authorities of physical distancing to curb contaminations, the realisation of the life-saving nature of many public services at a time of crisis, such as the current one, has popularised the concept of the '*15-minute city*': a (re)localisation of vital public services including hospitals, schools, childcare, parks, post offices and cultural venues – within everyone's walking or biking reach, also in a view to bolster inhabitants' quality of living and local economies.

3.   LRGs and the Covid pandemic

Cities and regions have been at the heart of the pandemic and its response. In the first phase of the pandemic, 90% of all reported cases were found in urban areas.[8] However, rural areas have recorded the highest rates of mortality. This is explained by the fact that highly internationally interconnected global cities and territories, with a high density of small and medium enterprises (SMEs) that are part of global supply chains, were the first hubs of contagion. The virus later reached rural areas where a high number of aged and low-income people is found, matched with a lower number of hospitals and intensive care units (ICU) compared to urban areas.[9]

LRG workers have been largely acknowledged for their critical role as frontline responders, as the first level of government responding to citizens and communities with concrete measures throughout the pandemic. Many LRGs have provided leadership in prioritising public health over economic interests, sometimes introducing lockdowns and mandatory mask-wearing in public places against central government guidelines, such as in Brazil and in the USA in 2020.[10]

They have had to quickly adapt local public service delivery to the unexpected, changing challenges posed by the pandemic. LRGs have played a significant role in the implementation of lockdowns, testing and tracing strategies, and vaccination rollouts. They have also suffered from a lack of adequate human and financial resources to do so[11] while coordination across the different levels of government and LRG involvement in the design and rollout of vaccination campaigns has been rare.[12]

4.   LRG workers through the pandemic

Local public services workers have been at the heart of the LRG response since the onset of the pandemic. With many professions on the frontline, their ethos and sacrifice continue to be essential to public service continuation and adaptation, and to support service users and communities. However, LRG workers' conditions are sometimes extremely difficult, especially where there is no access to personal protective equipment (PPE) and occupational health and safety (OSH) protection; where staffing levels, training and work tools are inadequate; and where fundamental trade union rights are denied.[13] Here is a sample of LRG frontline workers' services (besides health) have delivered to communities:

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[8] UN, COVID in an Urban World, Policy Brief, NY, July 2020
https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_urban_world_july_2020.pdf
[9] OECD, The territorial impact of COVID-19: Managing the crisis across levels of government, 10 November 2020
https://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1
[10] BBC, "Covid: Brazil's Bolsonaro calls governors 'tyrants' over lockdowns", 22 March 2021 https://www.bbc.com/news/world-latin-america-56479614 and Shear M. D., and Mervosh S., "Trump Encourages Protest Against Governors Who Have Imposed Virus Restrictions", NYT, 29 April 2020, https://www.nytimes.com/2020/04/17/us/politics/trump-coronavirus-governors.html
[11] UN, COVID in an Urban World, Policy Brief, NY, July 2020
https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_urban_world_july_2020.pdf
[12] OECD, The territorial impact of COVID-19: Managing the crisis across levels of government, 10 November 2020
https://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1
[13] PSI, "Beyond health workers, millions more need better conditions to beat Covid-19", 26 March 2020
https://publicservices.international/resources/news/beyond-health-workers-millions-more-need-better-conditions-to-beat-covid-19?id=10671&lang=en

- *Home care and disability care workers* have supported the most vulnerable, breaking the isolation of the elderly, and attending to the specific needs of the disabled.
- *Funeral service workers* have had the difficult task of burying or incinerating the dead with dignity and accompanying families through the grief, while keeping the public safe from contagion.
- *Water and sanitation workers* have provided potable water to safely handwash, drink, clean, cook and eat during lockdowns, while treating household and industrial wastewaters, stopping other waterborne diseases, and alerting to contamination and virus concentration in waste waters.[14]
- *Waste workers* - already at great risk of contamination and disease in normal times - have exposed themselves further to safely dispose of contaminated medical and household refuse, whose volumes dramatically increased, while cleaning and disinfecting public spaces with enhanced frequency.[15]
- *Firefighters, ambulance crew and emergency responders* are often the first to handle sick patients in critical condition and transfer them to hospitals.
- *Public housing and social service workers* have supported those who lost their livelihoods risking evictions, provided for vulnerable households, the homeless and other people in precarious situations, including migrants and refugees.
- *Municipal police* have had to control public spaces to ensure that social distancing rules are enforced by educating the public and dispersing groups.
- *Childcare and crèche workers* have ensured essential service for their frontline public service colleagues and have enabled people to return to work.
- *Public administration workers* have been delivering unemployment and social benefits, while implementing new emergency income support measures.
- *Municipal librarians and culture workers* have enabled remote access to offer continued cultural services, keeping up people's mental health, and maintaining social cohesion in locked down communities.
- *Prisons guards* have continued to operate in a high-risk environment for the spread of the virus, while keeping communities safe.

Despite the major contribution of LRG workers to citizens, service users and communities on a daily basis, many workers and their unions have had to fight tooth and nail to win access to PPE, basic OSH measures and Covid vaccination programmes.

5.   LRG funding and role in the recovery

In 2021, LRGs worldwide are expected to have lost on average between 15-25% in revenues.[16] In Africa, their revenue losses can reach up to 60%. The advancing of extraordinary expenses, matched with declining revenues from the economic shutdown, job losses in the formal and informal economy, business bankruptcies and households' moves to different areas by need or by choice, have placed a major strain on many LRG finances. LRG have also lost revenue from rents, utilities service fees, and property tax. Business closures have negatively impacted commercial space rentals of public estate and have curbed local economic growth. Areas overly dependent on specific economic activities, such as tourism, services and hospitality, have been particularly hit with a loss of local consumption, parking fees, VAT and residence tax.

Municipalities with small funds, inadequate reserves, and strict budgetary rules, whose deficit and borrowing running powers are limited, have especially been at a disadvantage. Although most central governments have taken action providing intergovernmental transfers and grants to a certain degree, if left

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[14] PSI, "Sanitation workers play a key role to break the contamination chain", 17 April 2020, https://publicservices.international/resources/news/sanitation-workers-play-a-key-role-to-break-the-contamination-chain?id=10728&lang=en
[15] Jowziack, G., "Clinical waste collectors – unprotected, untrained, underpaid and undervalued", Equal Times, 5 July 2021 https://www.equaltimes.org/clinical-waste-collectors#.YSu8To4zbD4
[16] UN, "COVID in an Urban World", Policy Brief, NY, July 2020, https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_urban_world_july_2020.pdf

unaddressed in the mid- and long term, this LRG revenue crisis may undermine urban development goals, jeopardise vital social and physical infrastructure investment, and cause local public service cuts and job losses at a time when they are most needed, exacerbating social and territorial inequalities and compromising recovery.

LRGs are going to play a key role in the recovery and re-building. Almost all countries have adopted recovery packages whose magnitude surpasses those adopted in the aftermath of the 2008 financial crisis.[17] Many have planned historically high public investment in local public services and physical infrastructures – including in health, care, water and sanitation, waste management, public housing, public transport, roads, bridges, railways, and clean energy among others, which are pivotal to a good recovery and future resilience. However, only few countries have involved and/or consulted LRGs on the recovery package design and implementation strategies.

Yet, the territorial dimension of recovery packages is going to be essential to support LRGs to empower their delivery capacity and innovation for increasingly demanded local services, such as health, social protection, care, housing, SME support, short supply chains. For example, as part of its municipal social service offer, the City of Barcelona created a municipal dentist service for vulnerable residents, where dental care is provided at affordable prices or for free.[18] Moreover, it has setup an integrated centre for care service users, workers and providers to support transparency, exchange and decent, quality service and working conditions.[19] LRGs are going to be at the heart of resilience-building and preparedness strategies in the face of future concomitant crises, including climate change.

6. Privatisation vs. Remunicipalisation

The collective recognition of the life-saving nature of public services and the evident failure of privatisation in some countries and territories has emboldened societal and institutional demands to remunicipalise/de-privatise.[20] In 2020, the Canadian Union of Public Employees (CUPE) launched the nationwide 'FixLongTermCare' campaign to take profit out of long-term elderly care, demanding the Canadian Government take over and invest in long-term elder care homes and set a national service quality standard and safe, decent working conditions for staff across all Canadian provinces. In France, the government's project to unbundle and further privatise the 75 year-old, national vertically integrated energy utility has been placed on hold after a coalition of French energy unions, national and local elected representatives, and experts launched [21] 'For a public energy' (*Pour une énergie publique*) campaign. Public Futures - the only available global de-privatization database – continues to record a regular stream of remunicipalisations: over 1,500 up to August 2021.

At the same time, the old pro-austerity reflexes and privatization forces continue to eye the takeover of lucrative vital public services and common goods. In Brazil, in the current political environment, the crisis is instrumentalized to fast forward privatisations of profitable State-owned enterprises that have been public service strongholds for users and communities for decades, in energy, water, post and food supply services. The UK Government is pushing a new Health and Care Bill that would reshape the National Health Service (NHS) into an 'Integrated Care System' on the model of American private care companies, featuring a mixed

[17] OECD, The territorial impact of COVID-19: Managing the crisis across levels of government, 10 November 2020 https://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1

[18] Ajuntamiento de Barcelona, Dentista para personas vulnerables, https://ajuntament.barcelona.cat/sanitatisalut/es/canal/dentista-persones-vulnerables

[19] Ajuntamiento de Barcelona, Barcelona Cuida, https://www.barcelona.cat/ciutatcuidadora/es/espacio-barcelona-cuida/que-es

[20] *"Remunicipalization is the return of public services from private control and/or ownership in any form to full public ownership, management and democratic control. Remunicipalization means that municipalities and regional governments take back privately owned and/or managed services that are commissioned, under concession or funded by public bodies. The term emphasises the subnational dimension of bringing public services back into public ownership in territories and communities."* V. Weghmann, Taking Our Public Services Back In-House, PSIRU-PSI, Greenwich, UK and Ferney-Voltaire, France, September 2020, p. 10, https://bit.ly/3fCricB

[21] Tribune collectif, 'EDF : « L'acte final d'un long démantèlement du service public de l'énergie en faveur du privé »', Le Monde, 10 February 2021, https://www.lemonde.fr/idees/article/2021/02/10/edf-l-acte-final-d-un-long-demantelement-du-service-public-de-l-energie-en-faveur-du-prive_6069422_3232.html

decision-making board where public institutions such as local councils would share power with for-profit companies. In Belgium, the Antwerp city council is privatising the local care and social services at a time when more – not less - staff and infrastructures are needed.[22]

7. The global housing crisis [23]

Although the legal frameworks underpinning housing policies and the allocation of resources are typically set at a national level, it is often local and regional governments that are responsible for the implementation of local housing development and for managing public and social housing stocks and related services. Over the past decades, housing has become financialised and a favourite target of large private and corporate investors, banks, private equity and pension funds. In 2016, the global worth of residential real estate was valued at 163 trillion USD, more than half the value of all global assets and more than twice the world's total GDP. The rise of mass tourism and the popularisation of online short-term rental platforms have exacerbated this phenomenon. Where they existed, public and social housing services have been scaled down or liquidated.

As a result, full-time permanent work is not a guarantee of access to affordable and adequate housing. A lack of affordable homeownership and rentals, and the sale/privatisation of public/social housing stocks had already pushed many workers - including those in vital local public services to the edge or outside their cities. These workers now have to endure long commutes, often living in precarious conditions with scant access to the same services they provide to those who are able to afford to live in more affluent areas.

Lack of access to decent housing has been exacerbated by the pandemic and has magnified inequalities. For many, limited or no income during the pandemic without an adequate social safety net[24] has meant an increase in precarity of tenure, evictions and overcrowding in low-quality housing, contributing to perpetuate the contamination cycle among the disadvantaged. Where poor or limited housing space is available, lockdown orders have also resulted in increased household violence, notably against women and children.

8. The transformation of urban public transport

Public transport represents the most efficient system to enable equitable access to mobility and to vital public services. For millions of people worldwide, public transport is the only option to reach hospitals, schools, kindergartens, care, registry, libraries, and the many other public services that enable human rights and a dignified life.[25] They are also key to connect rural areas to cities and urban centres, and vice-versa. Yet only half of the world's population has convenient access to public transport.[26]

Covid-related restrictions and concerns related to urban transport have resulted in a decrease in passenger ridership and a fall in service revenues. While some have gone back to individual private motorised transport (cars, motorbikes) and other carbon-intensive means at odds with the fight against climate change and air pollution, others have switched to bicycles, e-bicycles, kick scooters and other forms of individual or self-service transportation.

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[22] Cibrario, D. "Now is the time to reclaim public services", Spotlight for Sustainable Development Report 2021, forthcoming.
[23] Extract/elaboration from Cibrario, D., "Strong Public and Social Housing Services: A Key Asset in halting Global Pandemics", PSI, Ferney-Voltaire, August 2020, https://bit.ly/2ROQchr
[24] As of 2017, 5.2 billion people (71% of the world's population) had inadequate or no social protection coverage. ILO, "World Social Protection Report 2017-19", Geneva 2017
[25] PSI-ITF, The Future is Public Transport, March 2021 https://publicservices.international/campaigns/the-future-is-brpublic-transport-?id=11697&lang=en
[26] UNDESA, SDG11. Make cities and human settlements inclusive, safe, resilient and sustainable https://sdgs.un.org/goals/goal11

Many LRGs have encouraged the use of bicycles over car and motorbikes – in some cases providing economic incentives to purchase e-bikes or creating/expanding new bicycle lanes - they have also been confronted with new regulatory challenges over urban traffic, gig economy companies, public space management and pedestrian safety. In the absence of national regulations, cities like Paris and Bogotá have issued municipal regulations to be overseen by municipal police.

Public transport is also a precondition to achieve the ecological transition we urgently need. Stepping up investment in public transport infrastructure can significantly help reduce air pollution from transport by up to 45% in some cities, resulting in better public health and longer life expectancy across the globe; as well as cut emissions from urban transport in half by 2030 – a crucial step to meet the goals of the Paris Agreement and keep global temperature rise below 1.5°C.[27]

9.   Cities, climate change and disasters

The convergence of multiple crises points to an enhancement of the role of LRGs as frontline responders: climate change, pandemics, extreme weather events, earthquakes, but also migration flows and the consequences of war and displacements require a continued engagement by LRGs on multiple fronts.

Within this context, only strong local public services, with adequately staffed, resourced, and skilled local public service workers operating in safe and decent working conditions, can guarantee the effectiveness and resilience that LRGs and national governments need to respond to the demands of citizens and local communities, while meeting the global challenges of our times.

10. Digitalisation

Covid has fast forwarded the digitalisation of LRG services as they had to quickly adapt service delivery to remote work and interactions with users. While some larger administrations had already launched digitalisation processes, many medium and small LRGs with little staff, few resources, and limited broadband connection access have had a hard time to keep up, especially after enduring years of austerity cuts and hiring freeze.[28] As 3.6 billion people were still offline in 2019,[29] territorial and rural-urban inequality in digital access through Covid has meant that while some places could switch to the digital delivery or enhancement of vital services such as education and health, thanks to access to fast internet connections, computer availability and digital literacy, many others could not.

For LRG services and professions that could be 'digitalised', remote work has also resulted in enhanced opportunities for the digital externalisation/delocalisation of low value-added and/or replaceable tasks (text processing, database management, research, translation services, customer care services, etc.). Conversely, high-earners, high-skilled workers have moved outside of urban areas in search of improved work/life balance, either on a permanent or temporary basis ('digital nomadism'). These trends have a potential to affect LRG service employment especially in office-related and knowledge-based professions. They can also affect urbanism in terms of office space development investment plans and may help promote the re-population of peri-urban and rural areas, depending however, on the degree of rural-urban digital divide.

[27] PSI-ITF, The Future is Public Transport, March 2021 https://publicservices.international/campaigns/the-future-is-brpublic-transport-?id=11697&lang=en
[28] PSI "Lockdown pushes digitalisation through in Italian public services", 18 April 2020,
https://publicservices.international/resources/news/lockdown-pushes-digitalisation-through-in-italian-public-services?id=10735&lang=en
[29] ITU, "New ITU data reveal growing Internet uptake but a widening digital gender divide", 5 November 2019,
https://www.itu.int/en/mediacentre/Pages/2019-PR19.aspx#:~:text=ITU%20data%20show%20that%20while,countries%2C%20especially%20Least%20Developed%20Countries.

LRG management, team working, and supervisory methods have changed and there has been a steep learning curve for workers and employers alike. New LRG workplace issues have arisen, notably in relation to videoconferencing-related OSH and psychosocial risks, fatigue, eyesight issues, working time, hyper connectedness, and poor homework ergonomics, but also remote worker monitoring, digital pressure, and workers' data privacy. Conversely, LRG digitalisation has enabled, in some instances, swifter communication and coordination across different services. For instance, in Italy, digital information and documentation exchanges between the local health centres (ASL) and registry have rapidly become a new habit to minimize human interactions in issuing death and birth certificates. Digitalisation process rollouts have worked best where workers and their unions have been meaningfully involved from the start, such as in Norway.[30]

II.   Conclusions

The environment in which LRG workers and their unions operate remains extremely challenging. The Sustainable Development Goals (SDGs) are largely off track and inequalities are widening, while the climate crisis is already showing a sample of its devastating effects. Within this context, LRG professions and local public services will be more important and needed than ever. While the recognition of LRG workers' contribution is acknowledged in principle, concrete measures in terms of securing the future capacity of vital local public services to confront current and future crises by ensuring adequate staffing levels, skills and decent working conditions, as well as paying proper wages, are yet to be seen.

While remunicipalisations continue and public investment is stepping up, the temptation of austerity and privatisation looms, as in the absence of substantial reform towards strengthening municipal fiscal systems for long-term funding solutions, deficits remain a major challenge for many LRGs. However, innovative solutions and initiatives emerge at a local level that point to hope and opportunities for the future, especially when local participation mechanisms are put in place, involving civil society, as well as workers and unions. The expertise and knowledge of LRG workers are going to be key to unleashing the innovation potential of local public services.

If LRGs are to effectively confront the current and future crises, LRG workers and their unions are key interlocutors and should be recognised and valued as essential partners not only for collective bargaining but also for policy development and implementation.

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[30] Monsen, N., "Norwegian municipal union signs tripartite agreement on worker involvement and social dialogue in public sector digitalisation", PSI, 6 February 2018 https://www.world-psi.org/en/norwegian-municipal-union-signs-tripartite-agreement-worker-involvement-and-social-dialogue-public