

## **ETUC Call for tenders to subcontract expertise in the ETUC project ‘Shaping a fair and inclusive EU Investment and Fiscal Framework’ *European Study on the Social Cost of Capital***

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This is a call for a subcontractor to provide expertise for production of deliverables in the ETUC project ‘**Shaping a fair and inclusive EU Investment and Fiscal Framework**’.

The ETUC will publish the call on its website, on **23 January 2026** and keep it online for 24 calendar days. The **deadline for submission of bids is 16 February 2026**.

### **1. Background and rationale**

For several decades, the “cost of labour” has been presented as a major obstacle to competitiveness, investment and job creation in European economic policy debates. This narrative has underpinned policies such as wage restraint, labour market flexibilisation, reductions in social contributions, and extensive public support to companies.

In contrast, the cost of capital and its remuneration have received far less systematic scrutiny, despite several converging developments:

- A persistently high share of capital income in GDP;
- A strong increase in shareholder payouts (dividends and share buybacks);
- A slowdown in productive investment and productivity growth;
- Extensive public subsidies and tax advantages granted to corporations, without social, environmental or productive conditionalities.

Recent ETUC macroeconomic analysis indicates that while approximately 63% of EU GDP accrues to labour income and 37% to capital income, only around 13% of GDP is invested by non-financial corporations. At the same time, household saving, frequently framed as a macroeconomic problem, represents roughly 12% of labour income in the EU, equivalent to only 7.5% of GDP. This raises a fundamental question: **what happens to the large share of capital income that is not reinvested in the productive economy?**

Against this background, the ETUC intends to commission a European-level study to rigorously assess the “**social cost of capital**”, its economic productivity, and its implications for investment, employment, public finances and social outcomes.

This study is intended to:

- Reframe the economic debate from the “cost of labour” to the cost of capital;
- Provide rigorous, EU-level evidence to support trade union positions;
- Inform ETUC advocacy on investment, corporate governance, public subsidies, corporate taxation and social conditionality.

## 2. Tasks to be performed by the subcontractor

*The tasks as listed below may be subjected to small refinements, in agreement with the expert(s).*

The subcontractor will be tasked to:

- Participate in the kick-off meeting with the ETUC (end of February 2026)
- Submit the interim version of the study on the social cost of capital by end of May 2026, the study shall include:
  - A final analytical report (approx. 25–35 pages)
  - An executive summary / policy brief (2–3 pages)
  - Methodological annexes detailing data sources and conventions
  - A set of tables, charts and visual materials usable by ETUC
- Submit the final version of the deliverables by mid-June 2026
- Participate in the public presentation of the study by June 2026

**The deliverables shall satisfy the requirements and structure detailed in the Annex: Specifications and Methodological Requirements for the European Study on the Social Cost of Capital.**

The ETUC recognises that the scope and interdisciplinary nature of this study may require the mobilisation of diverse and complementary economic expertise, data mining and access to different types of databases. Consortia or teams of experts are therefore encouraged to submit joint proposals. However, for the purposes of coordination, contractual arrangements and communication, the ETUC requires that a single lead expert be designated as the main point of

contact and overall coordinator of the study.

### 3. Expertise, experience and skills required

**Sound expertise is required on the following issues:**

- Expert knowledge of one of several of the different economic research fields covered by the study (macroeconomics, microeconomics, political economy etc)
- Expert knowledge of data bases needed for the project, quantitative data analysis and EU economic policies
- Sound understanding of the trade union movement and ETUC

**Skills required:**

- Proven research and presentation skills (Senior expert: + 5 years, Juniors: + 3);
- Report drafting skills (in English);
- Ability to work within specified deadlines and to respect budgetary limits;
- Ability to work in a multicultural context and understanding of different industrial relations culture & traditions;

### 4. Time schedule and reporting

The subcontractor(s) will be asked to submit the interim deliverables by **May 2026**, the final report will have to be submitted by **mid June 2026**. The subcontractor will be responsible for submitting the deliverables foreseen in the project methodology within the timeframe agreed with the ETUC.

The subcontractor(s) will be asked to work for an estimated number of days ranging from 40 to 50 days.

### 5. Payment

The total maximum budget available for the fees of the subcontractor is as follows:

Contract with ETUC
Main activities
<ul style="list-style-type: none"> <li>• Participate to a kick-off meeting with ETUC</li> <li>• Coordinating the inputs of several contributors</li> <li>• Producing a final analytical report on the social cost of capital in the EU (approximately 25-30 pages, in English)</li> <li>• Producing an executive summary/policy brief (2-3 pages, in English)</li> <li>• Producing methodological annexes detailing data sources and conventions</li> </ul>

- Producing a set of tables, charts and visual materials usable by ETUC
- Participating to a public event in Brussels to present the results

<b>Total budget for the Expertise</b>	<b>38.000 € - (VAT and all taxes included)</b>
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The subcontractor will be remunerated in various instalments (advance and final payment). This amount covers the fees for coordination and research, but does not include the travel and subsistence costs incurred for attending eventual project meetings.

## 6. Selection criteria

Bids will be evaluated against the following criteria:

- Verifiable expertise, experience and skills, as required and described in part 3 of this call;
- Proven track record of ensuring the quality of materials produced, both in terms of content and format, in the relevant subjects specified in this call for tenders;
- Price/Quality ratio;

## 7. Form, structure and content of the tender

Tenders must be written in English. They must be signed by the tenderer or his/her duly authorised representative and be perfectly legible so that there can be no doubt as to words and figures. Tenders must be clear and concise and assembled in a coherent fashion.

Since tenderers will be judged on the content of their written bids, they must make it clear that they are able to meet the requirements of the specifications.

All tenders must include at least two sections:

- i) **The technical proposal** must provide all the information needed for the purpose of awarding the contract, including:
  - Specific information covering the technical and professional capacity as required in particular:
    - Description of relevant professional experience with emphasis on the specific fields covered by the invitation to tender;
    - Detailed curriculum vitae;
    - A selection of the main works and/or articles published, in relation to the relevant subjects specified in this tender.
    - Specific information covering each of the award criteria listed in point 3 and 6 and the work plan and tasks identified in point 2.

ii) **Financial proposal**

The prices of the financial proposal must be quoted in euros, including if the subcontractor is based in a country which is not in the euro area. As far as the tenderers of those countries are concerned, they cannot change the amount of the bid because of the evolution of the exchange rate. The tenderers choose the exchange rate and assume all risks or opportunities relating to the rate fluctuation.

Prices must be fixed amounts and shall not include travel expenses and daily allowances for the attendance to the Steering Committee meetings and other project events which will be covered by ETUC on the basis of EU rules & thresholds.

The maximum amount available for this contract is **38.000 EUR** - (VAT and all taxes included). Prices shall be fixed and not subject to revision during the performance of the contract.

## 8. Award Criteria

The contract will be awarded to the tender offering the best value for money, taking into account the specific objectives, requirements and selection criteria of the tender. The principles of transparency and equal treatment will be respected with a view to avoiding any conflicts of interest.

## 9. Content and selection of the bids

**This call for tenders will be published on the ETUC website on 23 January 2026. Offers must be sent at the latest on 16 February 2026.** Offers must be sent to ETUC, in electronic format (by e-mail to Head of Projects Department Alexandre Martin ([amartin@etuc.org](mailto:amartin@etuc.org)) and Project officer Livia Milana ([lmilana@etuc.org](mailto:lmilana@etuc.org)) and refer to our “Call for Tenders – Social cost of capital”.

## Annex: Specifications and Methodological Requirements for the European Study on the Social Cost of Capital

### 1. Central hypothesis

The study will empirically test the following core hypothesis:

**In the European Union, a significant share of capital remuneration is structurally disconnected from productive investment, productivity growth and employment creation, and is instead channelled into financial distributions, asset accumulation, deleveraging and external financial flows, generating a substantial social cost of capital.**

This challenges the dominant policy assumption that high returns to capital are a necessary and effective condition for investment, innovation and economic growth.

### 2. Key analytical questions

The study is expected to address, *inter alia*, the following questions:

- Is the current level of capital remuneration in the EU associated with higher productive investment?
- How does the productivity of capital compare to the productivity of labour over time?
- To what extent does underinvestment persist despite high profits and shareholder payouts?
- How are corporate profits actually used (investment, distributions, financial accumulation, debt reduction, external flows)?
- What role do public subsidies, tax expenditures and fiscal regimes play in sustaining non-productive capital uses?
- Are companies receiving significant public support also those distributing high dividends or conducting share buybacks while downsizing employment?
- Can a structural rentier logic of capital be identified at the EU level?

### 3. Objectives of the study

#### General objective

To assess the economic and social productivity of capital in the European Union, and to evaluate the social cost associated with current patterns of capital remuneration and use.

#### Specific objectives

- Analyse the distribution of value added between labour and capital in the EU
- Compare the productivity of labour and capital using macroeconomic indicators
- Measure the extent and persistence of corporate underinvestment
- Decompose the use of corporate profits at both macro and firm levels

- Examine the interaction between capital remuneration, public subsidies and taxation
- Produce evidence-based conclusions relevant for European trade union strategies and public policy debates

#### 4. Scope of the study

**Geographic scope:** EU-27, with comparative analysis across major Member States (e.g. France, Germany, Italy, Spain).

**Sectoral scope:** Non-financial corporations; the financial sector (banks and insurance) should be excluded due to its specific regulatory and accounting framework.

**Corporate Scope (Micro-data):** Large European non-financial corporations, defined for example as:

- CAC 40 companies and equivalent large listed firms in other Member States; or
- Top 100–150 EU non-financial corporations by turnover or market capitalisation.

#### 5. Methodological requirements

The study is expected to combine macro-level analysis, micro-level firm data, and institutional and political economy perspectives, while explicitly acknowledging data limitations and methodological trade-offs.

##### Axis 1- Macroeconomic Analysis (EU level)

Using ESA 2010 / Eurostat national accounts:

- Distribution of value added between labour and capital (including adjusted labour shares)
- Trends in productive investment (Gross Fixed Capital Formation)
- Household and corporate saving rates
- Net lending/net borrowing position of non-financial corporations
- Analysis of productivity trends:
  - Labour productivity
  - Capital productivity
  - Total Factor Productivity (TFP)

##### Axis 2- Microeconomic firm-level analysis

Construction of a firm-level dataset including, where available:

- Profits (net and gross operating surplus);
- Dividends paid;
- Share buybacks;
- Investment (CAPEX);

- Number of employees (and wage proxies where possible);
- Public subsidies and government grants;
- Corporate taxes paid and effective tax rates;
- Announced layoffs, restructuring plans or site closures.

Indicative data sources may include:

- ORBIS / Amadeus (Bureau van Dijk),
- Compustat, Refinitiv or Bloomberg,
- Annual reports,
- EU State Aid Scoreboard (DG COMP),
- Eurofound Restructuring Monitor.

The study should explicitly address known limitations of firm-level data, particularly regarding wages and taxation.

#### **Axis 3 - Decomposition of profit use**

For large corporations and at aggregate level:

- Share of profits invested productively;
- Share distributed to shareholders (dividends and buybacks);
- Share used for debt reduction;
- Accumulation of financial assets;
- Flows to the rest of the world.

#### **Axis 4 - Public policy and political economy analysis**

- Review of EU and national legal frameworks affecting capital remuneration (company law, market regulation, taxation)
- Analysis of public subsidies and tax expenditures as implicit support for non-productive capital
- Assessment of governance structures and shareholder pressure (including international ownership)

### **6. Expected results**

The study should deliver:

- A quantitative assessment of the social cost of capital in the EU.
- Robust comparisons between labour and capital productivity.
- A clear mapping of the use of corporate profits.
- Empirical evidence challenging or confirming dominant policy narratives.
- Indicators and findings usable for trade union advocacy and policy debates.