

Background Paper

Universal Basic Services: building our social infrastructure

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In conventional economics, the role of public services is too often reduced to a matter of expenditure – of marginal importance except as a sinkhole for tax revenues. That wasn't the case in the mid-20th century, when healthcare, education, housing, transport and other services provided through newly emerging welfare states were seen as an essential underpinning for reviving production, employment and consumption after the second world war.

The reversal that began in the last quarter of the century is well known. Inspired by free-market ideology, governments cut back spending, introduced market rules and contracted out services to private corporations. Almost invariably, these changes resulted in reduced services of poorer quality, greatly to the disadvantage of poor and marginalised groups. Generations have since grown up who know little or nothing about the principles and policies that shaped the post-war settlement. They may benefit from some remaining public services, but tend to take them for granted, at least until things go wrong.

Now that the government's response to Covid-19 has left the economy in tatters, with rates of unemployment, poverty and inequality all rocketing, a new initiative has emerged to reclaim the collective ideal and rebuild the social infrastructure that supports human wellbeing and economic prosperity.

It is known as Universal Basic Services (UBS). In a nutshell, it is a framework for policy and practice to make sure everyone has access to the necessities of life – [what we need to live a sufficient and flourishing life](#) – as a right, not a privilege.

There's broad agreement, backed by evidence, about what these necessities are. We all need to be sufficiently healthy and able to think for ourselves in order to participate in society. How these basic human needs are met will vary widely, but certain factors are constant across time and space. [Need theorists](#) have identified these as water, nutrition, shelter, secure and non-threatening work, education, healthcare, security in childhood, significant primary relationships, physical and economic security, and a safe environment. More recently, access to transport and the Internet have been added, as well as care, which is only implied in the first list.

In the UK and other social democracies, some of these necessities are provided collectively, through public institutions and funded through taxation. Healthcare and education are obvious examples. But just as we need them more than ever, they are existentially threatened – both by the past decade of austerity and by the prospect of future retrenchment as governments try to recoup monumental sums spent on coping with Covid.

The UBS initiative aims to revive and radically extend the collective ideal that inspired the post-war settlement, and - crucially - to reimagine it for today and re-engineer it for a sustainable future.

The arguments and evidence are set out in a new book, [*The Case for Universal Basic Services*](#). Among much else, it is a response to the growing campaign for universal basic income (UBI). Income has two components – cash and in-kind benefits (or ‘social income’). These are interdependent. The less social income you have, the more cash you will need to get by. The more that is spent on cash benefits, the less will be left for in-kind benefits. However, the social, environmental and economic value of social income is poorly understood and seriously undervalued.

The UBS framework aims to change that by defending and improving the services we already have and reaching out into to other areas of need such as care, housing, transport and access to the Internet. It offers a vision and pathway for the medium and long term, as well as a set of manageable steps for the short term.

There’s no one-size-fits-all formula. Each area of need requires a customised approach. What matters is recognising what people need (as opposed to want), and applying the same set of principles in each case. This framework is informed by lessons learned about the strengths and weaknesses of 20th century welfare states, and is designed to suit the conditions of the 21st century. The principles are as follows:

- Access to life’s necessities is a universal right, not a privilege
- Access is based on need, not ability to pay.
- Power in deciding how needs are met is devolved to the lowest appropriate level (according to the principle of subsidiarity).
- Services are delivered by a range of organisations with different models of ownership and control. But all share a clear set of enforceable public interest obligations.
- There is meaningful participation in planning and delivering services by residents and service users, working in close partnership with professionals and other service workers (according to the model of co-production).
- There are clear rules and procedures for establishing and enforcing entitlements.
- Last but arguably most important of all, services must be sustainable, and promote and enable *sufficiency within planetary boundaries*

The role of the state changes quite radically. It may provide some services directly. Beyond that, it has four essential functions.

1. To ensure guarantee equality of access, between and within localities.
2. To set and enforce ethical and practical standards.
3. To collect and invest the necessary funds, distributing them to maximise inclusion and fairness.

4. To encourage and support diverse models of delivery and to coordinate activities across the different areas of need – to get the best results all round.

What would UBS look like in practice? There are details in the book that can't be covered here. Drawing on experience in a range of countries, (mainly European) examples of good practice are identified that can be built upon. The main focus is on childcare, adult social care, housing, transport and Internet access, but the same approach could be applied to food, utilities, parks, and other local services.

Here are two brief examples. For childcare, there's much to learn from Norway, which has a strong tradition of early education and care, integrated into the education system. It has well-qualified staff, relatively high staff-child ratios, a consistent form of childcare setting (the kindergarten), parental involvement in decision-making and continuity of care from age one to six as the norm. The Norwegian system combines 'a legal guarantee to a place for all children with fees that are both low overall and income-related'. While there can be no direct read-across from Norway, which has a far smaller population and larger per capita income than the UK, it offers a useful model of successful practice, with features that can be adapted to different conditions.

Housing unsurprisingly requires a different approach. It's not a matter of providing a free home to everyone, or even just a matter of bricks and mortar. A successful housing UBS must focus on the quality and sustainability of neighbourhoods, transport routes, how much control residents have, and affordability. Much depends on the relationship between private sector provision and government regulation. There are lessons to be learned from Austria about land ownership and socially mixed communities, Denmark about co-operative models of ownership, Germany about sustainable housing, and the Netherlands about price control. Usually, the examples are city-based rather than national.

UBS is about more than delivering a service. It's about designing a package of measures to ensure that people's needs are met. The nuts and bolts of that package will be different in each case but the package as a whole will comply with the same set of principles. It is possible to make a modest beginning immediately and build the UBS package incrementally – as long as the direction of travel is clear. Key decisions should be made through democratic dialogue.

There is obviously a role in some areas of need for private expenditure. A [guaranteed minimum income](#) (currently being developed by the New Economics Foundation) is an important element of the UBS framework. Take food, for example: meeting people's need for food is not just about ensuring that everyone has enough money to buy food – although that is important. It is also about collective action through governments to ensure that nutritious food is available and affordable in every neighbourhood and that food systems are sustainable.

The cost of extending the UBS framework to the five areas considered in the book has been estimated at around 5% of GDP. The actual cost depends on the speed and scope of change

and on the quality of service. But this is not just expenditure, it is investment in the social infrastructure on which all our lives – and the wider economy – depend. The effect is redistributive, because in-kind benefits are worth much more to low-income families. It is a preventative programme, which will help to keep people well, reduce inequalities and build social solidarity. It generates relatively secure employment across all levels of skill. And, as the book explains, it promotes economic efficiency as well as ecological sustainability.

As a result of all this, UBS has the potential – if the framework is effectively applied - to improve wellbeing across the population, to reduce demand for costly interventions to cope with ill health unemployment, and other forms of harm and disruption, and to support sustainable economic activity. So there's a strong return on investment – in social, environmental and economic terms.

While UBI has been subject to various campaigns over several decades, UBS is a relatively new initiative. The idea was first explored in a [2017 report](#) by the Institute for Global Prosperity at University College London. An indicative [literature review](#) was conducted in 2019 and the book (mentioned above) in 2020. The theme has been explored by policy-makers in several countries including Ireland, New Zealand, Canada and South Korea. The challenge now is to build on existing research, flesh out practicalities in different areas of need, invite further scrutiny, debate and development, and make sure UBS is a key feature of programmes to 'build back better' as the pandemic recedes.