

# UBS

**What it means**

**Why it matters**

**How we can make  
it happen**

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*the case for*

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# What does 'UBS' mean?

- ***Services:*** collectively generated activities that serve the public interest.
- ***Basic:*** services that are essential and sufficient (rather than minimal) to enable people to meet their needs.
- ***Universal:*** everyone is entitled to services that are sufficient to meet their needs, regardless of ability to pay.

# Why does this matter now?

- Widening inequalities, deepening poverty, acceleration towards ecological catastrophe
- AI and robotics changing the labour market, threatening jobs, creating new insecurities.
- Collective values of post war settlement pushed out by market values - individualism, choice, competition and consumerism
- Public services badly damaged by austerity and anti-state politics.

# UBS guiding principles

- ***Shared needs***: life's essentials that enable us to survive and flourish, common to all and allow for sufficiency – different from wants and preferences
- ***Collective responsibilities***: pooling resources and sharing risks so that we can all meet all our needs – the fundamental basis of social life
- ***Sustainable development***: meeting the needs of the present without compromising the ability of future generation to meet their own needs

# The social wage

*We all expect to buy some of life's essentials ourselves*

- E.g. food, clothing, provided we have enough money

*Some things we need and can buy for ourselves but only if public policies ensure they are genuinely affordable*

- E.g. housing, access to transport and digital information

*Some things we need but can only afford if we are rich*

- E.g. education, healthcare, childcare, adult social care

*The 'social wage' is therefore vital - to provide*

- collective services for life's essentials that people cannot afford to pay for themselves: a 'virtual income'
- income support so that everyone has enough money to pay for affordable essentials

# The UBS proposal

- *More and better public services* available to all according to need not ability to pay
- *Improve and extend existing services* such as schooling and healthcare
- *Expand the range to include* childcare, adult social care, housing, transport and information... and more, e.g. libraries, utilities

## **PLUS**

- UBS must be combined with a reformed social security system that is sufficient and non-stigmatising for all, so that no-one's income falls below an agreed level.

# How is this radical?

- ***Reclaims the collective ideal***, submerged and discredited by neoliberal politics – because it's the only way we can all meet our needs.
- ***Promotes sustainable development*** - a needs-based approach allows for sufficiency for all, across generations.
- ***Aims to transform public services*** so that they are controlled by the people who need them and adequately supported by public funds and institutions.

# Transforming services

- *Investment not expenditure* – valuing and building the social infrastructure
- *Learn from experience.* Successes and failures of existing services – plenty to build on.
- *Inclusive and enforceable entitlements* so that everyone has a right to services that meet their needs
- *Multiple models of ownership* – encourage co-ops and social enterprises, eliminate profiteering
- *A new dynamic* between ‘top-down’ and ‘bottom-up’ politics, grounded in *democratic dialogue.*



# Role of the state

*State provides some services directly,  
but no return to top-down uniformity.*

*New role focused on:*

- Ensuring equal access
- Setting and enforcing quality standards
- Collecting and investing funds
- Supporting new models of ownership and control, and co-ordinating services for best outcomes.

# UBS in practice

*A customised approach for each area of need*, building on what already exists – for example:

- ***Housing.*** Large public building and refurbishment programme, public land ownership, mixed neighbourhoods, tenant control. Learn from Vienna, Copenhagen.
- ***Childcare.*** Universal access, with well trained and suitably paid staff; parents involved. Learn from Norway.
- ***Adult social care.*** Focus on prevention, universal free access to care, support informal carers, well-trained and suitably paid staff. Learn from Germany
- ***Transport.*** Start with free buses, well-connected routes. Learn from France, Estonia.
- ***Information.*** Internet access a utility not a commodity, with universal service obligation.

# Benefits of UBS

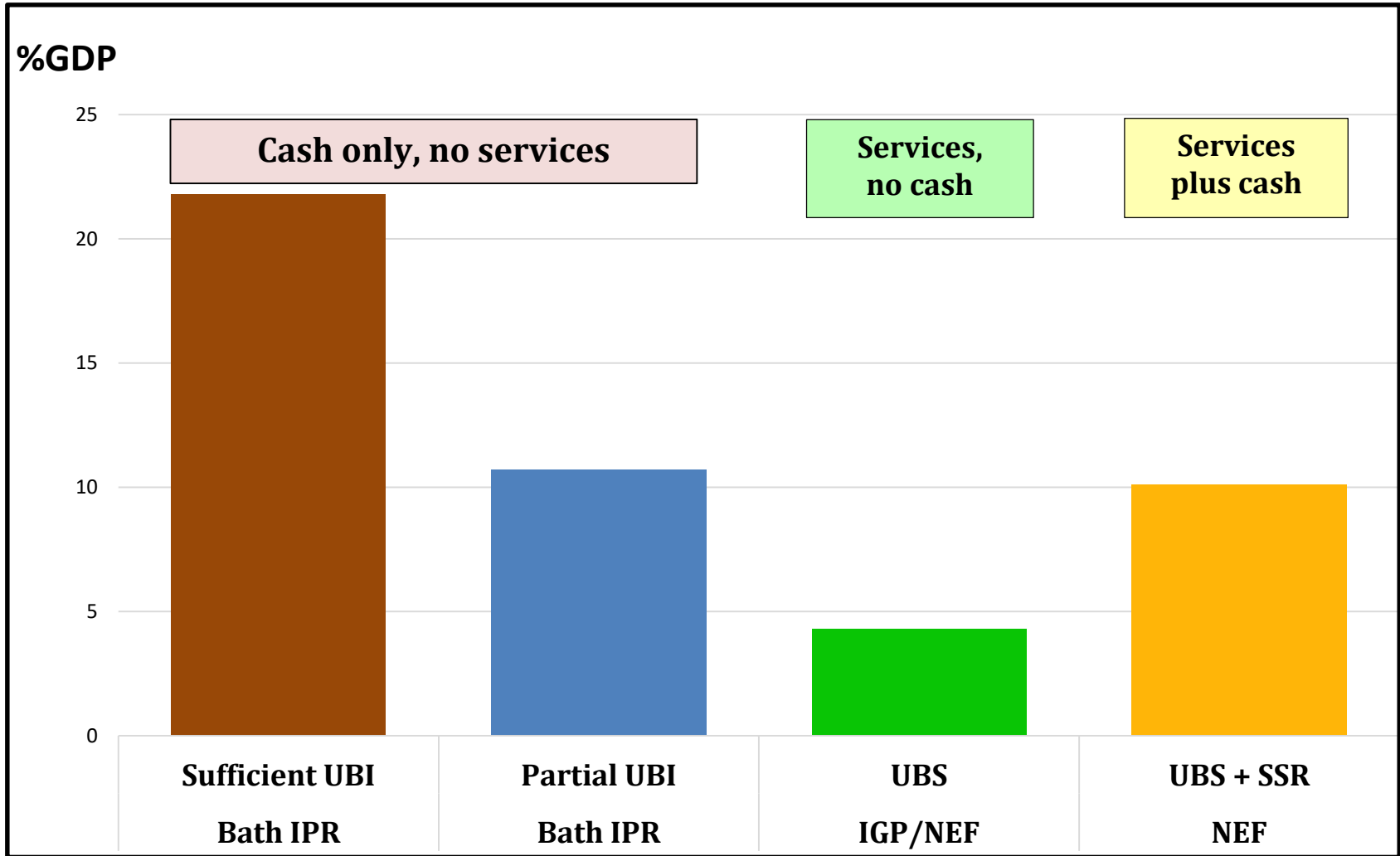
- **Equality.** Public services are worth far more to poor households, who would have to spend  $\frac{3}{4}$  of income on existing services if they weren't free. Reduce income inequalities by 20% across OECD.
- **Efficiency.** Services give better value for money than markets for meeting shared needs. Economies of scale, no gaming or profiteering. Competition and choice have failed to drive up standards or increase efficiency. US spends twice as much on healthcare and has lower life expectancy. Investment yields social and economic returns.
- **Solidarity.** Pooling resources and sharing risks builds mutual regard, empathy, interdependence. Calculations based on individual self-interest drive people apart.
- **Sustainability.** UBS can help to: prevent harm to health and social wellbeing; generate secure employment and stabilise the economy; cut GHG emissions and safeguard natural resources.

# UBS and cash payments

## Both are essential. Are they compatible?

- ***Estimated cost of UBS:*** 4-5% GDP in OECD countries
- ***A generous, guaranteed income protection scheme*** is fiscally compatible. NEF scheme with UBS: *net* costs c. 5.8% GDP.
  - Restores child benefit to 2010 levels in real terms
  - Swaps personal allowance for cash payment for all but the richest
  - Improves social security payments by 5% for all
  - Removes caps and reduces rate at which benefits are withdrawn
- ***A sufficient UBI is incompatible:*** ILO estimates costs at 20-30% GDP.
- ***Modest or 'partial' UBI as first step to sufficient UBI*** is a poor companion for UBS, both fiscally and ideologically.
- ***If additional funds can be found*** (e.g. from tax or social wealth fund), urgently needed for carbon mitigation and Green New Deal
- ***An enlarged social wage*** means people need less disposable income to meet their needs and flourish.

# Comparing UBS and UBI



*NB: To aid comparison, all costs are gross - no deductions of personal tax allowance*

# In conclusion...

## *Our aim is to build*

- more and better collective services for all according to need not ability to pay, as a matter of right, PLUS
- Reformed social security system that gives everyone a guarantee that their income will not fall below an agreed minimum.

***UBS offers a principled framework*** that challenges conventional economic thinking and can be applied to all areas of need.

***But it's no silver bullet.*** Pooling resources and sharing risks so that all our basic needs are met - requires a robust, many-sided political programme and strong, sustained public funding.

***Collective services***, if well organised, democratically controlled and adequately funded, are the best hope we have of promoting equality, efficiency, solidarity and sustainability.

*UBS in a nutshell*

**Reclaim the  
collective ideal  
and  
work together  
to meet needs  
we all share  
by  
enlarging the  
'social wage'**

