

Universal Basic Services: a Greener, More Affordable Life for All

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In the upcoming European elections, politicians face two crucial questions: addressing the climate emergency and alleviating the cost-of-living crisis. There is no single solution, but one strategy could make a big difference: concentrating on what people really need to live decent lives. By focusing on well-financed, sustainable, and affordable collective action, such as improving public transport, local renewable energy projects, and universal childcare, we can make green and affordable living available to all.

The European Green Deal is the EU's response to the growing need for climate action. Introduced in 2019 to much fanfare, it falls short in terms of the speed of emission reductions, the energy and material requirements to meet growing demand, and public investments to meet climate targets. Crucially, it also lacks a strong social dimension.

By relying on regulation and making polluting activities more expensive without the backing of vital investments so that everyone can access cost-saving and green solutions, climate policy risks becoming regressive. This effect is exacerbated by the increasing cost of living and rising interest rates. Addressing our current crises through, for example, speeding up the adoption of renewables and improving the quality and affordability of public transport has become more expensive.

Progressives must now give priority to developing this social dimension, addressing voters' everyday experiences by delivering life's essentials through collective action.

While environmental regulation is important, a socially just climate agenda requires smarter public investment. It is time for progressives to reject the outdated logic of fiscal rules currently being discussed. They are a major hurdle to speeding up the transition as they limit the role governments can play in investing, shaping markets, and providing sustainable public goods.

Universal basic services can tackle both inequality and the climate crisis.

Universal basic services can tackle both inequality and the climate crisis. It is a policy programme aimed at meeting everyone's basic needs within environmental limits. The goal cannot be reached by individuals acting alone, but only through collective action: more and better public services, investment of public funds, and regulation in the public interest.

The scientists at the UN's Intergovernmental Panel on Climate Change have reported a "high level of agreement" that "development targeted to basic needs and well-being for all entails less carbon-intensity than GDP-focused growth". It calls for changes that "reinforce sufficiency and emphasis on solidarity, economies built around care, livelihood protection, collective action, and basic service provision, linked to reduced emissions".

There is broad agreement about what people need to make their lives possible and worthwhile: a home to live in, nourishing food, quality education, people to look after us when we cannot look after ourselves, healthcare when we are ill, clean air and water, domestic energy, transport to take us where we need to go, access to the internet and – fundamentally – a sustainable environment.

These core necessities apply to just about everyone across the world, as well as to future generations. How they are met will vary widely between countries, cultures, and time periods, and each area of need is bound to be met differently. Universal basic services offers a principled framework to guide policy and practice in every case.

A need-based approach

Universal basic services is part of an emerging body of ideas that challenges economic orthodoxy and offers a sustainable alternative. Neo-classical economics takes preference satisfaction to be the chief source of wellbeing. But, as [social policy scholar] [Ian Gough points out](#), this lacks any logical, ethical, or practical justification in the age of the Anthropocene, “when the recognition of planetary boundaries requires limiting the satisfaction of endless desires”. It is time for a “different value standard, one of sufficiency or enough”, defined as “the space above the floor of necessity but below the ceiling of excess”.¹

Basic needs, unlike preferences, are intrinsically satiable. Universal basic services is a needs-based approach that brings together the goals of universalism and sufficiency – enough for all, now and in the future. It plays a key role in achieving a “safe and just space for humanity” and the closely related goal of sustainable “consumption corridors” between a social floor and an ecological ceiling.² It is about living well within limits. The practical outcome is not a uniform spartan existence, but secure social and material foundations that enable everyone, not just the better-off, to enjoy the time, space, and opportunity to live a fulfilling life. The goal of sufficiency is closely related to the visions of luxury for all and public abundance. Rooted in collective action, shared purpose, and mutual aid, universal basic services generates value for all, rather than extracting it for a few.

The basis for a fair ecological transition

Current climate policies are market-based and tend to affect lower-income households more. [Oxfam's analysis](#) of carbon inequality shows at least part of the story.^[3] Between 1990 and 2015, European low- and middle-income groups reduced their emissions, while the richest increased theirs. This pattern is set to continue: the extension of the Emissions Trading System to transport and domestic heating, which will be phased in over the coming years, will have a much bigger effect on low- and medium-income households than on the wealthiest, who will hardly notice the price increase and will consume no differently. The Social Climate Fund, which was proposed to ease these fears, will be too small to make a difference.

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Collective measures to meet human needs, notably universal basic services, can compensate for these regressive effects. Rising fuel duties or carbon pricing would take less of a toll on households' budgets if they could switch to decent, affordable public transport and shared mobility. If housing were managed in

the public interest, the costs of retrofitting could be subsidised and shared so that they do not land most heavily on low-income households.

Public attitudes and patterns of behaviour are crucial for achieving environmental goals. All public services can influence these by demonstrating what is possible and encouraging and supporting different ways of doing things, discouraging behaviour that is harmful to the environment, and preventing people from being locked into unsustainable routines.

A decent public transport system will help reduce reliance on private cars, for example. Hospitals and schools can serve food that is sustainably produced and reduce, or even eliminate, meat from their meals. Childcare and education services can have a significant impact on the experience, awareness, and learning of future generations. Universal basic services promotes solidarity and supports a politics where collective action is central rather than marginal. It creates the favourable conditions needed for working together to safeguard the planet.

Balancing and redistributing

The current approach to tackling rising inflation in the EU is centred on increasing central bank interest rates. This makes household, business, and state investment more expensive, so that jobs are lost and ultimately people have even less money to spend. But when, as now, inflation is driven by high fossil fuel prices and international trade pressures, raising interest rates does nothing to address the root causes of inflation.

Perversely, relying on interest rate rises to bring down inflation is making weaning off expensive fossil fuels and investing in renewables, electrifying transport, and social housing retrofits more expensive. It undermines future price stability by delaying the essential green investments that make energy cheaper in the medium term and protect us from fossil price shocks. Indeed, investors are ditching renewable energy funds at the fastest rate on record because clean energy shares have been severely impacted by higher interest rates.

Economist Isabella Weber argues that today's inflation can be described as seller's inflation, whereby the "corporate sector manages to pass on a major cost shock to consumers by increasing prices to protect or enhance its profit margins". Rising corporate profits account for almost half the increase in Europe's inflation over the past two years, as companies increased prices by more than spiking costs of imported energy. Even prominent mainstream economist Paul Krugman now agrees that inflation is a distributional conflict, while the International Monetary Fund argues that the inflation outlook depends on how corporate profits absorb wage gains.

Instead of making things harder for people by raising interest rates, including for those investing in the transition, we should be taking a different path. After decades of stagnating real wages, we need to find a fair way out of this crisis by investing in collective action and taxing excessive profits. By decommodifying and democratising key sectors such as transport, childcare, and housing, governments have the potential to alleviate the cost-of-living crisis by directly reducing prices.

Implementing universal basic services would rebalance the economy, expanding resources for lower-income groups and constraining excessive consumption. Services that deliver life's essentials are "in-kind" benefits that represent a virtual income or "social wage". Analysis by the British London-based Institute for Fiscal Studies shows how a range of services (or "benefits in kind") substantially redistribute resources between lower and higher-income groups.

By meeting needs collectively through services, rather than individually through market transactions, universal basic services enlarges the sphere of public consumption. Where services are provided directly by public institutions or by non-state organisations regulated by government, they are not commodities but public goods. They are subject to shared responsibility and democratic control; they can be made accessible to all and help prevent harm arising from unmet needs.

An international analysis of social provisioning concluded in 2021 that “public services are linked to higher need satisfaction and lower energy requirements”.³ The carbon footprint of healthcare in the United States, where the system is market-led, is three times greater per capita than that of several European countries where the system is wholly or partly controlled by the government.

Swift, intensive measures are necessary to prevent climate breakdown, and spreading their impact indiscriminately across income brackets would rapidly push the poorest below acceptable living standards. While decarbonisation efforts will eventually benefit lower-income groups, the gains would be too little, too late to avert a social catastrophe. Achieving net-zero emissions requires two integrated pathways: reducing aggregate emissions and decreasing inequality of income, wealth, and people’s ability to meet their basic needs.

Unlocking investment in Europe

To deliver universal basic services across Europe, governments will need to play a bigger role in investing in public goods and services. Germany’s 9-euro public transport ticket initiative from the summer of 2022 is a great example of universal basic services in practice. It was hugely popular, with over 52 million tickets sold. However, years of underinvestment in the German train network meant that the quality of services has dropped. While programmes such as the climate ticket should be established across the continent in every country, they need to be backed up by quality investments.

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This push will cost a lot of money, but inaction – or delayed action – would be more expensive. Moreover, the system cost of a transition from private petrol and diesel cars to electric vehicles would be significantly more expensive than a transition from private transport to public transport. Modelling by the New Economics Foundation (NEF) has shown that “high-quality, universal childcare provided free at the point of use is likely the highest-returning investment a government can make”. NEF argues that the returns are so strong and dependable that investment could be funded through borrowing. We need a new way of thinking about public finance. First, the EU should move away from outdated fiscal rules. Recent NEF analysis showed that only four EU member states would be able to meet the estimated investment needed to bring their economies in line with the Paris Agreement with current spending constraints in place.

According to an analysis by the European Trade Union Confederation, the relatively indebted member states would need to make cuts of at least 45 billion euros next year if currently debated fiscal rules are implemented. Any restrictions on green and social public investments now would be extremely counterproductive, spelling missed opportunities to capitalise on the transition and astronomical costs to future public budgets from preventable climate disasters. Instead of arbitrary spending limits, we need necessary investments in clever industrial policy and better green public infrastructure.

Second, public investment in universal basic services can readily be complemented by action on wealth inequality. Luxury consumption – for example, second homes, multiple flights, and exotic holidays – accounts for a disproportionate amount of harmful emissions and resource depletion. Wealth taxes are part of the solution. A recent study by the Greens/EFA group in the European Parliament showed that a wealth tax could generate 213 billion euros a year for EU member states. To reduce aviation emissions, a frequent flyer levy could increase the tax on airline tickets after the first return flight.

Building support for a fair transition

By setting out to meet everyone's basic needs, universal basic services paves the way to eliminating poverty and relieving miseries inflicted by insecurity. The experience of poverty and insecurity is today leaving people feeling hopeless, leading to resistance against environmental policies seen as more cuts and taxes. These feelings will intensify as new conflicts ratchet up fuel prices and extreme weather plays havoc with food supplies.

Investing in expanded and improved public services that deliver life's essentials would counteract these anxieties, enabling people to feel more satisfied with their daily lives and be more likely to trust their governments, local and national. Universal basic services could start to turn a downward spiral of poverty, distrust, and resistance into a virtuous circle of wellbeing, confidence, and support.

Without that support, democratic governments will find themselves no longer able to act to avert environmental catastrophe. As the UK Climate Change Committee has pointed out, "More than ever before, future emissions reductions will require people to be actively involved [...] Fairness is also fundamental to public support and must be embedded throughout policy. Only a transition that is perceived as fair, and where people, places and communities are well-supported, will succeed."

Europe faces a major challenge in reshaping its political economy for the coming decades. Universal basic services is not a silver bullet, but it has a big part to play. It offers a route to security and prosperity that improves the quality of life for all, not just for wage earners – an indispensable policy for a good life lived within planetary limits.



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