PUBLIC SERVICE FUTURES
WELFARE STATES IN THE DIGITAL AGE

Edited by
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Edited by Andrew Harrop, Kate Murray and Justin Nogarede
CONTENTS

Contributors vii
Introduction xi
   Andrew Harrop

1. Plugging the deficits: The case for a smarter state 23
   Harry Quilter-Pinner

2. Widening the scope: Why we need universal basic services 33
   Anna Coote and Andrew Percy

3. Freedom and social citizenship: Public services and social rights 43
   Koldo Casla

4. The greener state: Public services for a carbon-neutral Europe 51
   Emilia Smeds

5. Money talks: Boosting investment in social infrastructure 65
   Lieve Fransen

6. Against inevitability: Digital technology in the service of the public 77
   Justin Nogarede
7. A brighter future: How public services will be reshaped by digital technologies 87
   Kit Collingwood

8. Open and accessible: Digital public services for all 99
   Nadira Hussain

9. Impose less, empower more: Community-led public services 107
   Simon Kaye

10. Shared purpose: Reconceptualising the role of the state 117
    David Walker

11. Public versus private? Deconstructing public services in Europe 129
    Mikko Kuisma and Martin Seeleib-Kaiser

12. A social Europe: Tackling the EU’s ‘social deficit’ 139
    Francesco Corti
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INTRODUCTION
Andrew Harrop

Welfare states across Europe are under strain – and they will face further challenges in the years to come. This volume of essays sets out how they might best harness new technologies, innovative thinking and the perspectives of citizens to offer high-quality services for all.

Public services across the UK and Europe have faced profound change in recent times as a result of spending pressures, market reforms and the impact of digital technologies. Our welfare states continue to help people in inspirational ways. But a decade of public sector austerity has measurably damaged fundamental dimensions of people’s lives. In Britain this is illustrated by the rise of food banks and street homelessness, the withdrawal of support for frail older people, lower family living standards and stalling life expectancy.

Now, in 2020, welfare states in Europe face an unprecedented challenge in the shape of the Covid-19 virus, which is set to test the resilience and adaptability of the public sphere in extraordinary ways. The response to the crisis will shine a light on the best of public service – its ethical commitment, professional expertise and shared purpose. But it also risks exposing dangerous vulnerabilities, arising from years of cost-cutting and fragmentation.
It is therefore the right moment to take stock of Europe’s public services and consider their future over the next 10 to 15 years. The Foundation for European Progressive Studies and the Fabian Society have undertaken this task as a joint endeavour, bringing together both UK-specific and Europe-wide perspectives. The chapters were written before the start of the coronavirus crisis, but the ideas presented feel even more important and urgent now that our public sectors are under such pressure.

A civil emergency reminds us that public service is special and unique. The dividing line between the public sphere and the world of commerce may sometimes be blurred and contested, but welfare states stand in contrast to markets in both their mission and methodology. The goal of public services is to equip people with the capabilities they need to thrive, to quote the Fabian Society’s 2014 report Going Public (see box, page xix). In this volume Anna Coote and Andrew Percy describe the same mission in terms of meeting our essential shared needs.

One way to bring this purpose to life would be to codify governments’ responsibilities to their citizens and incorporate a fuller range of internationally recognised human rights into domestic law. In his chapter, Koldo Casla argues that this would allow citizens and civil society to challenge governments if they fail to discharge their obligations with respect to securing good health, education, housing and living standards for all. It would also provide a new framework for dialogue between citizens and public bodies, and hopefully change mindsets and cultures among elected politicians, public managers and frontline workers (particularly with respect to serving the most marginalised and vulnerable in society).

In his chapter, Francesco Corti shows how such an effort is working to reinvigorate EU social action. He describes how the European Pillar of Social Rights has re-emphasised
key social rights and created the institutional machinery to advance them in each member state.

Public services need to be better at discharging their enduring responsibilities. But they also need to respond to the new and emerging challenges of the next 10 or 15 years. In the UK context, Harry Quilter-Pinner identifies five priorities for public services for the next decade – better health, more support and care, higher skills, greater income security and stronger community bonds. To this we must add the challenge of decarbonisation, which is considered in this essay collection by Emilia Smeds among others.

To respond to these priorities, existing services need to achieve more and become more sustainable. But the scope of the public sphere also needs to change. Decarbonisation requires that the public sector takes the lead in delivering carbon-neutral urban mobility and affordable, low-energy housing, according to Smeds and Lieve Fransen respectively. Meanwhile today’s great social challenges call for an expansion in the scope of the public sphere in order to guarantee comprehensive care in old age and early childhood, to open lifelong learning to all, and to ensure that everyone can make good use of essential technologies.

When combined with demographic pressures, these new calls for spending mean there will be continual upward pressure on public expenditure in the 2020s. With no sign of a return to pre-2008 levels of economic growth (and now the inevitability of a new recession) expenditure is set to rise as a percentage of national income, as politicians conclude that the case for structurally higher spending is too great to ignore. Spending increases could be reactive and piecemeal however, which will do nothing to correct the recent drift from long-term investments, in people and places, towards mainly meeting immediate needs, particularly in old age. That’s why a focus on long-term priorities matters, as does Fransen’s
call to increase spending on the capital infrastructure of the welfare state.

In response to the social challenges ahead, Coote and Percy call for a wider range of universally-available public services (which they call ‘universal basic services’). They do not present a one-size-fits-all prospectus for free, state-delivered services, unlike the Labour party at the 2019 general election. Instead they argue for an extension in the scope of the collective, democratic responsibility for meeting shared needs. Services should be affordable to all and run in the public interest; but, with Europe’s diverse patchwork of welfare institutions in mind, they recognise that new provision will not always be free-at-the-point-of-need or delivered by an arm of the state. The Labour party missed this point in 2019 when it promised a new public monopoly to deliver free state broadband; it should instead have called for a new public responsibility for ensuring that everyone makes use of digital connectivity, which is now a fundamental human need.

With such variety of public service institutions across Europe, Mikko Kuisma and Martin Seeleib-Kaiser argue that what matters is not public ownership but David Marquand’s idea of a strong ‘public domain’ of public service and collective interest. This may in different contexts be secured by government delivery, purchasing, public interest regulation or strong institutional and cultural norms. The UK has examples of non-state social purpose institutions (for example, universities and housing associations), but they play less of a role in Britain than in many European welfare states. The public interest is also less embedded within cultures and governance structures across all sectors and this has made the UK particularly vulnerable to the incursion of market forces into public services. As the Fabian Society’s Going Public report argued, we need to focus on strengthening the ‘public character’ of welfare services, irrespective of who is delivering them.
In the 2020s, this public ethos needs to include a deep commitment to democratic accountability and citizen voice and participation. As a minimum that must mean involving service users in each institution’s governance and decision-making; and a strategic role for democratic local and regional government in designing, scrutinising and coordinating public services in each locality. This point is made again and again, in different ways, across the chapters. As Justin Nogarede puts it, such ‘governance innovation’ will be just as important as technological innovation to improve public services. Going further, Simon Kaye argues in his chapter that many public goals should be addressed by communities themselves, through self-governance and experimentation, rather than by state or market.

The public interest will never be delivered solely through publicly owned and funded bodies. But David Walker and Harry Quilter-Pinner both point to the recent retreat of markets and outsourcing in the British welfare state and see this as a moment of opportunity for the left. In the UK the collapse of outsourcers and rail franchisees is proof that the contract-state has not succeeded, even on its own terms, because it is unable to deliver value for money, reliability or innovation. But, worse, market reforms have hindered efforts to join-up public services and forge deeper, more mutual relationships with citizens. Walker suggests that there should be a presumption in favour of state delivery in the case of services involving coercion or intensive two-way relationships.

The strongest argument for undoing market reforms is to replace fragmentation with unity and integration, a theme that runs across these chapters. Welfare states depend on institutional complexity, but to build preventative, personalised and responsive public services, agencies need to work together in networks of collaboration and feel seamless from the perspective of the citizen. Walker
suggests that a more united public service ethos and brand is needed to help drive this integration. Technology is however an even more important ingredient for achieving the seamless public services of the future.

In the past ‘digital-first’ public services have not always been well-received, when they have seemed to offer existing services through unfamiliar channels that transfer administrative burdens from providers to users. Cost-saving innovation is understandable, because the financial pressures on public services demand continual productivity improvements. But in recent years the quality of online government services has really started to get better and in their chapters Kit Collingwood and Nadira Hussain show how new technologies could radically improve people’s experiences of public services in the 2020s.

Transactions with the public sector should become far easier and less fragmented, particularly as the UK’s single government portal matures. End-to-end digital services (including human contact via video-link not just automated processes) will break down the physical barriers that stop people using public services. Meanwhile good design, focused on accessibility, simplicity and the needs of diverse users can minimise technology-related forms of exclusion. Done right, a common digital gateway for public services could also bring the opportunity to de-stigmatise dimensions of the welfare state that are today viewed with suspicion: with one online portal, applying for means-tested benefits might one day become as psychologically neutral as paying council tax or finding childcare.

The real prize however is not better interactions with government but ‘invisible’ service delivery, where public services work together for people without their direct engagement. The possibilities include automatic repeat prescriptions from general practices through better data management; ‘tell me once’ data-sharing that triggers access to every benefit and service to which someone is
entitled; and profiling using AI and large datasets to predict likely risks and needs and orient services around targeting and prevention.

These innovations can only be achieved at scale however if governments earn people’s trust with respect to data. Public services must convince people they are committed to data privacy, ethics and control, and give people ownership of their own data. There is a win-win here: the more government stands up to ‘big tech’ with respect to data rights in the private sector, the more it can earn public trust to use data well in delivering public services. Nogarede adds that this also requires that public authorities keep a larger measure of control over the design and implementation of the digital systems and the data they generate. Only then can they ensure digital services that are transparent, participatory and that respect citizens’ rights. He reminds us that deterministic predictions about the role of new technologies are often wrong. Technology is a servant not a master and must be accompanied by broader social and institutional innovation.

Technological transformation will both impose and enable deep changes with respect to the culture and structure of government. Collingwood argues that flatter, faster digital culture will break down barriers both between services and citizens, and within and between public agencies. Successful new technologies will depend on continual citizen response, participation and influence. Quick, receptive feedback loops will also blur the lines between policy, technological capability and frontline delivery within government machineries. And better data flows and technological integration may even enable government structures and finances to shift from vertical silos to more fluid networks organised around cross-cutting, real-world outcomes.

So the 2020s are a time of great possibility for public services. There is huge potential for new technologies to
meet our shared needs, and this can be best realised in the context of strong public interest institutions working in collaboration not competition. In fact, technology is likely to make the public sphere more distinct from private markets not more alike.

But there are big risks too, because the demands on the public realm will be so high. In many European countries, public services were already threadbare before the coronavirus crisis. Without more money, faster innovation and a stronger voice for citizens they could enter into a declining spiral, where people lose confidence and trust. With right-wing governments in power across so much of Europe that risk has grown more likely, but it is not inevitable. Now it is the task of the left – in opposition and in power – to show that the future of public services is filled with hope.
Going Public: the left’s new direction for public services

In 2014 the Fabian Society report Going Public presented an agenda for the future of public services based on three interlocking principles, which offered an alternative to top-down control and market-based reform.

Principle 1: Strong Public Character

Strong purpose, ethos and values should be reflected in public services’ aims and ways of working. The report proposed six maxims that every public service should seek to follow: (1) help people acquire capabilities so they can thrive; (2) serve the collective interests of society; (3) champion equality, dignity and respect; (4) set direction through democratic politics and ‘shared ownership’; (5) act through collaboration; and (6) uphold transparency and probity.

Public services often fall short of these maxims but in principle they offer a dividing line between the public sphere and the free market. Independent non-profit providers can be public interest institutions if they also live by the six maxims. To bring them to life, a new ‘statecraft’ is needed to build enduring, values-rich institutions, rather than manipulating providers with the sticks and carrots of markets or top-down control.

This approach is hard to reconcile with the extensive use of markets and for-profit providers. Whole public service systems should not be outsourced, instead commercial involvement in supply chains should be restricted to specialist technical capabilities. Public bodies should enter non-market partnerships with not-for-profit public interest bodies.
Principle 2: Trust and empowerment

Trust and power should be spread downwards and outwards to citizens, employees, public service institutions and sub-national government. Each level, from national government to the frontline employee, needs power and a commitment to empower others.

Service providers should seek to create equal frontline relationships with citizens and involve users in the design, planning and evaluation of their work. This requires motivated, empowered employees, and employers should focus on their long-term vocational development to support frontline practice, adaptation and judgement. Services should be partly self-governing to create space for deliberative decision-making involving citizens, employees and other stakeholders. This will enable them to be adaptive, self-improving organisations with the autonomy to collaborate in flexible local networks, which is necessary for services to work together to offer early, personalised and seamless support.

National government should respond to long-term strategic challenges by creating dialogue, establishing autonomous institutions and setting a limited number of national entitlements and priorities. Local and regional layers of government should be the ‘ring-masters’ of local public services. They need the power to steer the priorities of local services, drive collaboration and provide scrutiny and support.

Principle 3: Performance and value

New priorities, rising demand and increasing costs requires a permanent commitment to improving performance and value, irrespective of how much public expenditure increases in future. This does not mean
a ‘race to the bottom’ through cuts to service expectations, capital investment or employee conditions. Instead improvements should be pursued by raising performance, restraining costs and thinking strategically about demand. This requires a focus on outcomes not activities; long-term and community-wide perspectives; transparency and good use of data and evidence; and the promotion of innovation and learning.

Performance and value are compatible with trust and empowerment, because once services have reached an acceptable baseline standard, innovation and improvement is often generated from within. The task of national and local government should therefore be to support public services to establish their own arrangements for improving performance and value, with light-touch nationwide standards, priorities and data requirements, and autonomous local, regional and sectoral scrutiny and support systems.
After a decade of austerity, support for higher taxes and higher spending on public services is growing. An investment state, with collectivised welfare provision, can be economically productive as well as socially desirable.

A few months into the new decade, it is worth reflecting on the one that has just passed. After all, the present is just the accumulation of everything that has come before. The most obvious conclusion to be drawn is that it was a ‘long’ decade. It started not on 1 January 2010, but on 15 September 2008, when Lehman Brothers, the fourth largest US investment bank, filed for bankruptcy. The already strained global financial system collapsed, bringing down with it the real economy of jobs, homes and high streets. The effect, in both the developed and developing world, was catastrophic: millions of people unemployed and destitute, and poverty on the rise once again.

That the crisis was the defining event of the 2010s is most evident when looking at the plight of welfare states across Europe. The response of politicians to the crisis – which resulted in expensive bailouts and big welfare bills, as well as declining growth and tax revenues – was to embrace fiscal consolidation. This is defined as a concerted effort to
reduce a country’s budget deficit – the amount by which government spending exceeds its revenues – by cutting expenditure and (to a lesser extent in this case) increasing taxes. This process occurred across Europe but there is little doubt that the UK was distinctive both in the severity of its consolidation and in its self-imposed nature.¹

With total government spending remaining roughly stable in the UK over the decade (at around £800bn per year), this has been the longest pause in real terms spending growth on record.² Furthermore, the headline figures mask a myriad of sins. With a growing population, stagnant spending implies cuts in public spending per person. Furthermore, austerity has led to a rapid change in the shape of the state, as NHS and pensions spending were protected, at the expense of other policy areas, such as policing, social care, public health and working-age benefits. The result is that the welfare state has increasingly become, in the words of sociologist Wolfgang Streeck, a ‘consolidation state’.³

Successive UK governments have looked to compensate for this reduction in spending with reform in the way in which services are delivered. Driven by the idea that markets are more effective than state provision in delivering social outcomes, government ministers have looked to deepen the work of both Margaret Thatcher and Tony Blair. This can be seen in the 2012 Health and Social Care Act and the academy and free schools programme in education (to name just two examples). But, far from delivering ‘more for less’, many of these reforms have instead exacerbated the effects of austerity. This is most clearly

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¹ H. Quilter-Pinner and D. Hochlaf, There is an alternative: ending austerity in the UK, (2019), IPPR.
² Ibid.
seen in probation services, where the outsourcing of contracts has been a disaster, and one which has ultimately been scrapped.

Whichever way we look at it, the reality is now clear: austerity has failed. Economically it has reduced demand, resulting in a lost decade of economic growth. Fiscally, it may have balanced current spending, but debt as a percentage of GDP has grown every year over the last decade. Socially, it has contributed to increasing crime, poor performance in the NHS, rationing in social care, an explosion in homelessness and foodbank use, as well as a spike in poverty. Meanwhile, politically, it has catalysed growing political divisions, declining trust in our political system and growing support for populist causes, including Brexit.

Partly as a result of these failures people are increasingly demanding an alternative. For example, the latest British Social Attitudes Survey finds support for higher taxes and spending has risen to nearly 50 per cent of people, the highest level since 2004. This means that for the first time in recent times, support for a larger welfare state is the centre-ground of British politics. Nowhere is this clearer than in Conservative party policy. In 2010, David Cameron argued that it was his task to create “a leaner, more efficient state…not just now, but permanently”. By contrast, Boris Johnson has promised to invest more in the NHS, education, policing and social care, as well as to spend £100bn on infrastructure.

**From fiscal to social deficits**

But ‘ending austerity’ has to be about more than just spending more money on the welfare state. The end of a project which has dictated policy decisions across virtually

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every area of government for a decade demands a more fundamental rethink and a serious public debate. What do we want the welfare state to achieve? Which values should underpin these institutions? How much should we spend on services and benefits? Where should this funding be prioritised across our public services? How should we raise the funding we need? What reform is needed to ensure that it is well spent?

Answers to these questions will not emerge overnight. But the best place to start is a clear definition of the challenges that we want the welfare state to address over the coming decade in order to deliver both ‘prosperity and justice’. In 1942 Sir William Beveridge, framed a decade (or more) of reform with a call for bold action to address the ‘five giants’ of ‘want, disease, ignorance, squalor and disease’. Today, at IPPR, we argue that in the UK politicians must address five killer ‘social deficits’ – and end an obsession with the fiscal deficit – in the decade to come.⁵

The first of these is the health deficit. The 20th century saw huge leaps forward in terms of human health. Since the NHS was created, life expectancy has increased from 68 to 81 years, with many previously fatal conditions now curable or chronic.⁶ These improvements are partly the result of better healthcare but also better lifestyles and living environments. However, huge challenges remain. Since 2010, life expectancy has stopped improving. Health inequalities are large and growing; as is the gap between life expectancy and healthy life expectancy, meaning that people are living longer in ill-health. Public Health England’s data shows that people in the least deprived parts of England live, on average, 19 years longer in good health, than those people in the most deprived parts of

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⁵ H. Quilter-Pinner and D. Hochlaf, There is an alternative: ending austerity in the UK, (2019), IPPR.
⁶ Nuffield Trust, Facts and figures on the NHS at 70, Nuffield Trust.
The case for a smarter state

The country. This is neither economically desirable, nor morally acceptable.

The second is the care deficit. The average family of today is unrecognisable from that of the past. Perhaps the biggest change has been emancipation of women from the home and the rise of female labour market participation. This has led to the rise of ‘care as a service’ for both children and older relatives. But as it stands, the state underinvests in collective care provision and many families are unable to pay for it themselves. The result is that huge numbers go without the care they need or rely on the kindness of family and friends. For example, Age UK has found that there are 1.4 million people aged over 65 who have unmet care needs, whilst informal care (overwhelmingly provided by women) is valued at over £132bn annually. Insufficient care and support is an injustice that must be addressed in the years to come.

A third major concern is the skills deficit. Technology has already fundamentally transformed our economy. This is set to continue in the decade to come with the rise of machine learning, artificial intelligence and automation. The biggest impact of this transformation is on the labour market, with growing labour force polarisation, between high skilled, high pay and low skilled, low pay jobs. Estimates suggest that up to 44 per cent of jobs in the UK economy are at risk from automation. Avoiding an increase in unemployment or, more likely, chronic low

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8 Age UK, ‘1.4 million older people aren’t getting the care and support they need – a staggering increase of almost 20% in just two years’, (9 July 2018).
pay and progression, will require a significant investment in education, training and ongoing development – with a focus on a different set of skills – to help people thrive in the labour market of tomorrow.

This is intimately linked to what IPPR has called the security deficit. Poverty is once again on the rise in the UK, with 30 per cent of children and 16 per cent of pensioners below the line (up from 27 per cent and 14 per cent respectively in 2010).

Shockingly, a majority of people in poverty live with someone in paid work. This is testament to a decade where wages barely increased. But the problem is not just levels of pay, but the security of that income, with one in nine people now relying on agency work, zero-hours contracts or low-paid self-employment.

As a result of these trends, household debt has increased rapidly as people compensate for low pay, and more than a million people are now forced to rely on foodbanks to survive. This requires that we rethink our social security system as well as our labour market policies.

Finally, we are facing a community deficit in the UK. Loneliness and isolation have reached epidemic proportions, with up to one in four people suffering from it.

More people live on their own than ever before and the numbers are set to increase as a result of an ageing population in the decade to come. Studies show that Britons have fewer close friends than any other developed country. Meanwhile, many of the institutions that brought us

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12 TUC, ‘1 in 9 workers are in insecure jobs, says TUC’, news story, (10 May 2018).
14 J. Smith, Loneliness on its way to becoming the Britain’s most lethal condition, (2018), The Independent.
together with our neighbours such as churches, pubs and societies – as well as public spaces such as high streets, parks and libraries – are in decline. This is exacerbated further by underinvestment in transport links that bring us together in the UK, particularly local buses and trains. These issues must be at the heart of the welfare state in the future.

Of course, these deficits are not unique to the UK (or any one nation within it). They are experienced to varying degrees across Europe because the underlying trends driving them are often universal rather than local. But, the UK’s political economy often means these deficits are more acute than in other countries. For example, whilst automation is changing the labour market everywhere, insecure work is much more prevalent in the UK’s deregulated labour market than it is mainland Europe. Likewise, populations are ageing, and women entering the labour market, across the globe, but the UK neither has the extended family networks still present in many southern European countries, not the collectivised caring provision of the Nordic countries. The result is the care gap set out above. These differences imply that the UK has a lot to learn from its neighbours near and far if it is to deliver social justice in the decades to come.

**An emerging reform agenda**

The question for policymakers is how to respond to these challenges. The solutions will undoubtedly take time to crystallise. But three fundamental questions will have to be confronted – and the contours of a response to them are starting to emerge.
Shared solutions to shared problems

Firstly, how much funding will welfare states require to address these deficits and where will it come from? On this, it is clear that funding pressure on public services and social security will grow as populations grow and age. This will mean that funding will need to grow simply to stand still in terms of public service access and quality. If politicians want to go further – and the analysis of social deficits set out above implies that they should – this will demand a significant expansion in the size of the state.

This may sound scary, particularly for the UK, but it needn’t be. The myths that have dominated perceived wisdom on public spending over recent decades are crumbling. Taxes do not have to cripple growth. Social spending can be – and often is – economically productive (as well as socially desirable). Rejecting these dogmas opens up space for what we call an ‘investment state’, meaning a high tax, high spend state with collectivised welfare provision. IPPR’s research shows that other European countries spend up to £1,800 more per person on public services (and wider social security), without reducing economic growth, and deliver better social outcomes as a result.16

From transactions to relationships

Secondly, how should the welfare state be reformed to deliver better social outcomes? Over recent decades the public service reform agenda has been predominantly shaped by the same neoliberal project that has dominated economic policy. At the heart of this agenda is the idea that the market is more efficient than the state at delivering public services and social outcomes. Where a market solu-

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16 H. Quilter-Pinner and D. Hochlaf, There is an alternative: ending austerity in the UK, (2019), IPPR.
tion is not viable, this school of thought promotes the creation of a pseudo market as a solution (e.g. outsourcing or creating payment systems within a state service that mimic market incentives). This has been implemented across the full gamut of public services, from social care to schools.

The result has been the rise of marketised and transactional public services, which divide people between providers and customers. But this paradigm has fundamentally failed to deliver improved efficiency or radically better outcomes (though in many cases it has led to an increase in transaction costs). Policy makers should abandon this experiment and instead embrace a new reform agenda. This must put human relationships and democratic ownership at the heart of public services – and hand over power to citizens to take a lead in shaping their own lives. Some examples of this change are starting to emerge, for example, the ‘Preston model’ in the UK, and participatory budgeting in France. These models must now be deepened and spread across a wider array of services.

A new political coalition is needed

Finally, there is the question of how to create the political coalitions necessary to underpin reformed welfare states. In the UK context, this is perhaps the biggest challenge of all. A higher spend, higher tax ‘investment state’ would require broad support across classes, age-groups and income levels. But, at this moment in time the UK is more divided than at any point in recent history.

However, public opinion is shifting. Support for higher taxes and higher spending is growing in Britain. And, the conditions for maintaining or growing this support are clear: the public need to trust politicians to spend it well and feel that everyone is paying their fair
share. The political project that can meet these conditions will unlock the potential to transform the UK for the better. Failure to do so will leave Britain economically, socially and politically at risk as we enter what is guaranteed to be a ‘decade of disruption’.

17 H. Quilter-Pinner and D. Hochlaf, There is an alternative: ending austerity in the UK, (2019), IPPR.
Offering decent essential services to all could transform the lives of millions – and parts of Europe are already leading the way. Funding universal basic services is an investment which would pay dividends for society, the environment and the economy.

Across Europe, social democratic welfare systems are struggling to respond to the multiple demands of their populations and to meet challenges posed by demographic and technological change as well as accelerating threats to the natural environment.

As people live longer, many more need care in later years. Developments in artificial intelligence and automation are reshaping labour markets so that more workers are left with low-paid, insecure jobs or no jobs at all. At the same time, measures aimed at cutting ecologically harmful emissions, such as higher fuel prices, tend to be socially regressive. Deepening poverty and widening inequalities are increasing the pressures on welfare systems and costs are bound to rise.

There are (at least) two possible responses. One is to reserve favourable outcomes for a minority. The other is to create conditions that empower the majority and enable them to flourish. It falls to the left to develop pathways that will deliver a larger life for the many not the few.
The call for universal basic services (UBS) offers a radical programme for achieving this ambition. In the UK it was adopted in 2019 as one of three central pillars of the opposition Labour party’s economic programme. Labour lost the UK election but the idea of UBS must live on.

**What are universal basic services?**

The goal is to reclaim the collective ideal and rebuild the social wage. The term ‘UBS’ represents collectively generated services and other activities that serve the public interest. They are essential (rather than minimal) because they enable people to meet their needs. And they are universally available to all who need them, regardless of ability to pay. The strategy is to improve the quality of existing services such as healthcare and education and reach out into areas where essential services are not currently available to all, such as care, transport, housing and access to digital information. The case for UBS rests on three key principles: shared needs, collective responsibilities and sustainable development.

**Shared needs**

We human beings have the same set of basic needs that must be satisfied in order to survive and thrive, think for ourselves and participate in society.¹ These are universal across time and space although the practical detail of

how they are satisfied will vary widely between generations and countries. Needs are not like wants, which vary infinitely and can multiply exponentially. Needs include such essentials as air, water, shelter, nutrition, education, employment and care. They are satiable, in that there are limits beyond which more food, more work or more security are no longer helpful and could even do harm. So there comes a point where sufficiency is reached in the process of meeting needs, while there will never come a time when we all have everything we want.

Understanding the difference between needs and wants or preferences provides an enduring, evidence-based and ethical foundation for making decisions about what things are truly essential for the survival and wellbeing of everyone, now and in future. It doesn’t trap us in any kind of uniform determinism, but helps us to set priorities that are more, rather than less, likely to be fair and sustainable.

Collective responsibilities

As individuals today, we can meet some of our needs through market transactions, depending on our circumstances. For example, most of us expect to buy food and clothing for ourselves, and it matters a great deal whether or not we have enough money to do so. Crucially, therefore, UBS must be combined with radical reform of social security so that everyone is entitled to a fair living income. That said, there are many needs that most of us cannot meet without help and we depend on others to do so. This is where services come in. Healthcare and education are the most common examples but the range of needs requiring a collective response is much wider, reflecting the areas outlined above for developing UBS.
Sustainable development

There is now wide agreement that human activity must remain within the ecological constraints of the planet. Any policy that aims to improve human wellbeing must be designed to reduce harmful emissions, safeguard natural resources and stay within planetary boundaries. The fact that UBS are rooted in shared needs and collective responsibilities makes them far better placed to achieve sustainable practice than any welfare system based on market rules and individual payments. They provide value not just for today, but into the future, in accordance with the key definition of sustainable development as meeting ‘the needs of the present without compromising the ability of future generations to meet their own needs’.2

Universal basic services in practice

Services differ because they meet different kinds of need and grow out of different historical and political circumstances. In our new book The Case for Universal Basic Services3 we set out the practical implications, showing that while each area of need requires a customised approach, there are certain features that should apply in all cases:

- Collective responsibility for meeting shared needs is exercised through democratically elected governments.
- Power is devolved to the lowest appropriate level (according to the principle of subsidiarity).

2 Brundtland Commission, Our Common Future, (1987), OUP.
Services are delivered by a range of organisations with different models of ownership and control, all sharing a clear set of enforceable public interest obligations.

They are accessible and affordable for all, according to need not ability to pay (whether this means they are free or only partly funded by collective means).

There is meaningful participation in planning and delivering services by residents and service users, working in close partnership with professionals and other front-line workers.

There are clear rules and procedures for fair and inclusive eligibility and entitlement.

The state ensures equality of access, sets and enforces standards, raises and invests funds, and coordinates functions between services.

There are already countless examples of good practice across the European continent, which amply demonstrate how this can be done. We can’t do justice to them here but describe a range of them in our book – from childcare in Norway and adult social care in Germany to housing in Denmark and Austria, transport in France, digital platforms in Spain and much more.

**Potential benefits**

Although complex and challenging, UBS can offer a range of benefits in terms of equity, efficiency, solidarity and sustainability.

**Equity**

Public services reduce income inequalities by providing a social wage that is worth much more to people on the lowest incomes. A study of OECD countries found that services
reduced income inequality by an average of 20 per cent.\textsuperscript{4} They bring benefits without which individuals and families would be unable to meet their needs and flourish. Getting an education makes it easier to find work and earn money; access to housing and healthcare means there is less risk of becoming disabled by illness and dependent on care; access to transport and the internet makes it possible to get work, avoid isolation, use other services, and so on. These things are especially important for low-income families because of the knock-on effects that shield them against accumulating risks and vulnerabilities.

Efficiency

Measures of efficiency in the public sector are usually complex and contested. Public services have often been accused of inefficiencies, justifying the introduction of market rules from the 1980s onwards. But competition between multiple providers, customer choice for service users and conventional cost-effectiveness criteria for measuring success have largely failed to improve efficiency and these failings have been greatly exacerbated by public spending cuts. Private contracts tend to be inflexible, limiting the ability of public authorities to improve services and respond to changing demands.\textsuperscript{5} Transaction costs are often higher, not least because a for-profit system extracts funds to pay dividends to shareholders. Public sector organisations can keep costs down in ways that


cannot be achieved by competing commercial organisations – for example, through sharing administrative, purchasing and research functions, by avoiding duplication and by working together to achieve shared goals.\textsuperscript{6} A 2016 study that compared spending on health care and average life expectancy found that the USA, which is a mainly market-based system, outspent the UK (spending £6,311 per person, compared with £2,777 in the UK yet had an average life expectancy at birth of 78.8 years, compared with 81.4 in the UK.\textsuperscript{7}

\textbf{Solidarity}

The policy goal of UBS calls for collective policy and practice: sharing resources and acting together to deal with risks and problems that people cannot cope with alone. It not only requires solidarity but also contributes to it – in three main ways. First, it develops experience of shared needs and collective responsibility, which builds understanding of how people depend on each other and a commitment to retaining these interconnections. Second, where services bring people together from different social groups, they can provide opportunities for developing mutual sympathy and responsibility. Third, the combined effects of more and better services, as we have noted, bring benefits to society as a whole and have a redistributive effect, reducing inequalities that otherwise create barriers to solidarity.

\textsuperscript{6} Local Government Association, ‘Services Shared: Costs Spared?’, (2012).

\textsuperscript{7} ONS, ‘How Does UK Healthcare Spending Compare Internationally?’, (2016).
Sustainability

UBS can have positive impacts on sustainability through prevention of harm, through economic stabilisation and through helping to mitigate climate change and the depletion of natural resources. Public provisioning systems are better able than market systems to promote sustainable consumption, to coordinate sustainable practices such as active travel, resource-efficient buildings and local food procurement, and to implement national strategies for reducing greenhouse gas emissions. They also have a vital role to play in ensuring that sustainable policies are socially just. For example, programmes to retrofit the vast bulk of the housing stock, proposed for the UK as part of a Green New Deal, will require public planning, finance and management. If governments can coordinate the range of services effectively, they can offset any regressive effects of climate policies (such as higher energy prices) and ensure a ‘just transition’ to sustainable living.

UBS and the European social model

The proposal for universal basic services builds on the postwar settlement of European social democracy by expanding the realm of public services beyond the traditional spheres of education and health. The conviction is echoed in the European Union’s longstanding goal of economic and social cohesion, by which it means combining a market economy with ‘a commitment to the values of internal solidarity and mutual support which ensures open access for all members of society to services of general benefit and protection’. European societies have already established the premise and practice of social provision for vital and universal services. The arguments that rage in the United States about individual versus social responsibilities have long been won in Europe, so that Europeans
can move faster and more easily towards building universal security through more and better public services.

There is a growing sense of urgency about the need for this kind of radical change, reflected in the 2018 report of the Independent Commission for Sustainable Equality, convened by the Progressive Alliance of Socialists and Democrats in the European Parliament. This maps out a just transition to sustainable development by empowering people and reshaping capitalism. It proposes a Common Wealth Charter to ‘ensure that every person would have a guarantee of free-of-charge access to a set of essential services, such as education, medical treatment, public transport, or culture, and an access at low cost to a set of essential goods, including food and water, energy, land and housing’.

**Investment not expenditure**

Parties of the left are routinely accused of being unreliable custodians of public finances. This is usually more about politics than economics – and a symptom of the distorted ways in which we attach value to things and measure success. Yet even within the conventional economic paradigm, there is ample fiscal space to pay for UBS. Expanding public services as we propose, to include social care, housing, transport, and access to digital information, would cost a modest fraction of existing public spending in these areas (which is less than 10 per cent of GDP). In our book we estimate that the additional cost in a typical OECD country would be 4–5 per cent of GDP. A previous 2017 report on UBS by the Institute for Global Prosperity\(^8\) proposed a slightly different programme of services

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excluding childcare and adult social care and put the cost at 2.3 per cent of UK GDP. It also estimated giving people enough money to buy these services directly would cost 30 per cent more – in other words, the programme would yield 30 per cent efficiency saving over direct cash distributions.

A UBS programme covering the areas proposed here is within reach of every European country without exceeding commonly accepted bounds of fiscal propriety. We don’t expect any country to switch on a full array of UBS overnight, but instead to experiment with incremental change to enhance existing services and develop new ones. It is one of the great strengths of the UBS proposal that it builds on what already exists and can be introduced incrementally without sudden shocks to the system. Crucially public spending on UBS is an investment in social infrastructure, tackling poverty, inequality and insecurity through collective endeavour; just as spending on roads and railways is an investment in the material infrastructure. It can be expected to yield considerable returns – to society and the environment as well as to the economy.

**Conclusion**

Universal basic services offer a framework for social democratic welfare states seeking to respond to technological and demographic change, as well as to the challenge of global warming. It is when people feel left behind and out of control of their lives that they are more likely to resist measures aimed at ending dependence on fossil fuels and cutting greenhouse gas emissions. UBS is a programme for tackling poverty, inequality and insecurity through collective endeavour. By meeting people’s fundamental needs, it is the best hope we have of improving wellbeing and security for all and building the broad alliance of support that is desperately needed to avert climate catastrophe.
Unlike many other countries, the UK has failed to recognise social rights in law. If our welfare state were built on these rights, we could ensure better healthcare, social services and housing for all. We could also give a voice to those in our society who need these services most.

Human rights were not invented to be ‘had’. Human rights in general, and social rights in particular, are not static objects that one strives to find or claim. The value of human rights lies in who we can become and what we can achieve with them. Human rights are about being and doing, not about having. Members of a free and fair society deserve human rights because rights are what we need to be truly free and to contribute meaningfully to our communities. Anatole France famously mocked that “the law, in its majestic equality, forbids rich and poor alike to sleep under bridges, to beg in the streets and to steal their bread”. That might be the law, but it is definitely not a law that protects social rights.

This volume reflects on the public services we could have in the years to come, but it is worth looking back before we jump forward to imagine a better future.
Seven decades ago, TH Marshall introduced the notion of social citizenship.1 Marshall understood social rights as essential ingredients of citizenship and advocated an egalitarian form of welfare based on reciprocal responsibilities between members of society.

Social citizenship is echoed in the greeting to visitors at St Mary’s Church, which hosted the visionary Putney Debates of 1647. A message on a wall features Thomas Rainsborough’s words, who spoke about an imagined country where “the poorest he hath a life to live as the greatest he”.

The Charter of the Forest, the Peasants’ Revolt, the Levellers, the Diggers, the Suffragettes, Thomas Paine, Mary Wollstonecraft, John Stuart Mill, Beatrice and Sidney Webb, William Beveridge, Richard Titmuss, the NHS, the council house… This country has the intellectual and the material means to reinvent its public services based on real freedom and social citizenship; it has done so before in much direr circumstances.

Like many other countries, the UK has voluntarily subscribed to a number of international treaties that affirm that everyone is entitled to the right to adequate housing, the right to health, the right to food, the right to social security and other social rights.

Unlike many other countries, the UK has failed to recognise most of these rights in its domestic legal system.

Approximately 90 per cent of the world’s constitutions recognise at least one social right, in 70 per cent at least one of them is enforceable in court, and 25 per cent recognise 10 or more social rights as judicially enforceable, particularly those relating to education, trade unions,

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1 T. H. Marshall, Citizenship and Social Class and Other Essays, (1950), CUP.
healthcare, social security, child protection and the environment.\textsuperscript{2} The UK is not one of these countries.

Parliament adopted the Human Rights Act in 1998. The importance of the Act cannot be overstated. It has provided accountability for victims of heinous crimes, it has contributed to building bridges in Northern Ireland, it preserves journalists’ freedom, it has helped survivors of rape seek justice. The Human Rights Act must be celebrated and we must fight any attempt to scrap it with the spurious excuse of replacing it with a deceitful ‘British bill of rights’. Make no mistake: improving our rights does not require touching the Human Rights Act. But we must also tell the truth: despite the misleading name, the Human Rights Act did not bring all human rights home. It did so for some of them, those recognised in the European Convention on Human Rights, but the rights to adequate housing, to food, to social security or to health are not included in it.

The UK has ratified most relevant treaties. It is time to abide by the country’s word in international forums and bring all human rights home.

If the social services of the welfare state stemmed from human rights, among other things, public authorities would be expected to make use of the maximum of available resources to improve the NHS and the social security system, and to make sure citizens enjoy better working and housing conditions.\textsuperscript{3} It would also mean that everyone should have access to public services without discrimination of any kind, including socio-economic conditions.


\textsuperscript{3} International Covenant on Economic, Social and Cultural Rights, adopted in 1966 and ratified by the UK in 1976, Article 2(1).
In this day and age, an economically advanced society like the UK already has the necessary resources to satisfy an adequate standard of living for everyone. The world’s sixth largest economy should not compromise on anything less than that. Part of the problem is that many of the available resources are privately owned. A good number were in fact accumulated after decades of privatisations and diminishing taxation of the wealthy. The use of all available resources means allocating public spending in the most effective way to fulfil social rights for all. But it also means developing a tax system that is fair and contributes to reduce inequalities of income and wealth.

Adequate housing is a human right and an essential part of the welfare state. However, the number of public housing units is clearly insufficient to satisfy the right to housing for all those in need. It is therefore necessary to protect renters’ rights in the private sector as well. Currently Section 21 of the Housing Act 1988 allows landlords in England to evict tenants with no fault and without giving a reason. The ending of private sector tenancies is the biggest single driver of statutory homelessness in England. Section 21 does not strike a fair balance between tenants’ right to adequate housing and landlords’ right to private property, and there is nothing like it in other European countries. Regrettably, in November 2018 the European Court of Human Rights ruled that Section 21 does not breach the right to private and family life, recognised in Article 8 of the European Convention of Human Rights, and therefore the Human Rights Act. As disappointing as that decision was, it reinforced the need to recognise the right to adequate housing in our legal system. As interpreted by the courts, Section 21 might not breach the Human Rights Act; however, there

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4 ECtHR, F.J.M. v. the United Kingdom (Case no. 76202/16), Decision on Admissibility, (29 November 2018).
is no question these evictions go against Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), the right to adequate housing, which requires a proportionality assessment of all evictions on a case-by-case basis.

The UK is also an outlier of continental proportions when it comes to the right to work of people seeking asylum. No other country in Europe is so restrictive in denying asylum seekers access to the labour market. Allowing people seeking asylum to work after six months in the country would be more consistent with the right to work and workers’ rights proclaimed in Articles 6, 7 and 8 ICESCR. It would also be beneficial for the economy and for the Treasury, contributing to the sustainability of the welfare state.

For a number of years, the Home Office sought personal data for migration purposes from allegedly undocumented NHS patients. A public health system that stems from social rights should make health facilities, goods and services accessible to everyone without discrimination of any kind. No one should be afraid of visiting their GP. The right to the enjoyment of the highest attainable standard of health (Article 12 ICESCR) demands strict walls between healthcare personnel and law enforcement authorities. The opposite is proven to frighten people away from seeking medical help when they need it.

Some of the most damaging effects of the decade of austerity would not have seen the light of day if social rights had been enhanced in the UK’s legal and policy system. The benefit freeze, benefit cap or the two-child limit on social security entitlements disproportionately affected single mothers and people with disabilities, among others, in breach of the right to social security (Article 9 ICESCR).  

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The House of Commons Public Accounts Committee has denounced the ‘unexplained variation’ in the use of benefit sanctions in different parts of the UK.\(^6\) Reflecting on the role of sanctions in getting more people to work, the Work and Pensions Committee concluded that “at best, evidence on the effectiveness of sanctions is mixed, and at worst, it shows them to be counterproductive”.\(^7\) Both this committee and the National Audit Office criticised the government for not doing enough to assess the impact of sanctions on people on low incomes.\(^8\)

Sanctions is another area where social rights could make a difference. The German Basic Law proclaims the right to a minimum standard of living in accordance with human dignity and the social-democratic principle (Articles 1 and 20(1)). The German constitutional court has long recognised that creating the conditions for leading an independent and fulfilling life is part of the state’s constitutional responsibilities. In November 2019, the court ruled that, to be acceptable, benefit sanctions must be proportionate.\(^9\) While the legislature does have a margin of appreciation in a democratic society, the longer the sanctions regime has been in force, the more compelling the findings must be to prove that sanctions are suitable, necessary and reasonable.

For a number of years, the UK government has relied on nonexistent or patchy research. That would no longer be acceptable if the law recognised the right to social security. That is precisely the approach of the Social Security

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\(^8\) Id, p. 19; NAO, Benefit sanctions, (November 2016), p. 7.

Public services and social rights

(Scotland) Act 2018, which declares that “social security is itself a human right and essential to the realisation of other human rights”. Time will tell the effects of this proclamation north of the border, but the move is to be welcomed.

Courts have a role to play in holding public authorities to account, but building public services from social rights is too important to be entrusted to judges and lawyers alone while the rest of us remain silent bystanders. We cannot afford a fraudulent ‘rights-versus-democracy’ binary choice. Social rights accountability does not need to be solely judicial. It also requires empowering civil society, national human rights institutions (like the Equality and Human Rights Commission and the Scottish Human Rights Commission) and potentially other regulators and inspectors to monitor, review and recommend remedial action inspired by social rights principles.¹⁰

There are reasons to be cautiously optimistic about a possible future where public services stem from social rights. The idea of universal basic services is now on the table (see Anna Coote and Andrew Percy’s chapter in this pamphlet), and it is the sort of ambition we need to fulfil social rights for all. In the last general election, Labour, Liberal Democrats, the Green party and the SNP committed to recognise the right to food in UK law. The socio-economic duty, contained in Section 1 of the Equality Act 2010 but never implemented by the UK government has been brought to life in Scotland, and Wales will follow suit in 2020. Both Wales are Scotland are debating the incorporation of international human rights treaties in their jurisdictions, and the Scottish government has announced a new statutory framework for human rights that will include economic, social, cultural and environmental rights.

Local and community initiatives are mushrooming up and down the country using human rights to bring people together and hold public authorities to account. Using international law as a reference point, local campaigners are showing that human rights are much more than a shield to protect the individual from the state; human rights also have a unique empowering and galvanising effect.

We live in a time of anger, demagoguery and scape-goat populism. It is now more necessary than ever to synergise the local and the international and to broaden the base of mobilising structures. If I have learned one thing from my experience researching and campaigning for social rights in the UK and other countries, it is this: there is no better way to defend social rights than to hand over a megaphone to the people most affected by inequality and public spending cuts. Let’s tear down the power structures that have excluded so many people from the political conversation. Taking social rights seriously does not only require different policies; it also requires more inclusive processes to come up with them.

**Key conclusions**

- We must preserve, use and celebrate the Human Rights Act 1998.
- However, by and large, social rights are missing from the Act. It is time to bring all human rights home by recognising social rights in the law, policies and processes.
- Social rights would make a clear difference in a wide range of public services, including housing, social security and health.
- Courts are very important, but social rights accountability is also about empowering civil society, developing transparent guidelines to track progress, and listening carefully to people with lived experience of poverty and inequality.
If we are to meet ambitious climate change targets, we need to break the link between the welfare state and the car. Local government must be empowered through decentralisation. And national governments must provide the levels of public spending that can meet the scale of the challenge.

Last year the climate crisis swept European politics with ‘climate emergency’ declarations by the European Parliament, several European governments and hundreds of municipalities. The European Commission has called for a ‘climate neutral’ Europe by 2050, and the UK government has issued a target for net-zero greenhouse gas emissions by 2050. Carbon neutrality and net-zero emissions refer to the same state, where CO₂ emissions equal the absorption of carbon from the atmosphere, which essentially means emissions need to be reduced to a very low level.

Net-zero represents a higher degree of ambition than before, but there is still much debate as to whether 2050
is ‘too late’ based on the climate science.¹ Experts say that no European nation is currently on a path to rapid enough decarbonisation and that the EU as a whole will not meet most of its existing 2020 targets. Thus, after decades of the international community negotiating temperature rise scenarios and corresponding national targets, I would argue that the focus must now be on immediate action.

Across the European Union 40 per cent of energy consumption is from buildings and 25 per cent is from transport.² The figures are similar for the UK. We live in an urban Europe, with almost three-quarters of the European population living in an urban area.³ The challenge of decarbonising Europe is thus, to a significant extent, one of retrofitting urban infrastructure – which in turn of course means local government has a crucial role to play. This chapter discusses the interplay between local, national and EU policy for achieving carbon neutrality, from the transport sector to public services, as well as the broader transformation of the state.

**The decarbonisation of public services and transport in urban Europe**

From a progressive perspective, a carbon-neutral state can be understood as one able to deliver the public services that form part of an inclusive welfare state in a manner that produces very low CO₂ emissions. The concept of the welfare state typically centres on healthcare, education and social services. Due to the scale of provision, these services in them-

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¹ T. Jackson, 2050 is too late – we much drastically cut emissions much sooner, (15 September 2019), The Conversation.
selves produce significant CO₂ emissions, which can be effectively targeted as they are within public sector control.

Delivering health services involves large volumes of movement generated by goods, patients and healthcare workers. For example, the UK’s National Health Service estimates that it contributes 4 to 5 per cent of the country’s carbon footprint, with 6.7 billion road miles travelled annually by patients and their visitors to access NHS services. In response, it has launched a Greener NHS campaign with a net-zero target.⁴ While emission reductions can be achieved through technologies such as electric vehicles, achieving carbon neutrality also requires a look at the models of service delivery.

Welfare state politics involves pressures to improve cost efficiency, but this can have unintended consequences. For example, delivering services through larger consolidated health centres compared to a more distributed model of smaller doctors’ practices may allow for cost savings, but if the new health centre is constructed at the edge of an urban area with poor accessibility (by public transport, foot and bicycle) this can increase car trips, worsen access for low-income citizens without a car and harm public health through reduced physical activity.⁵ Decarbonisation thus requires recognising that services are delivered in urban contexts, factoring emissions into decisions about service delivery and broader changes to welfare state policy.

Transport is also a public service in itself through the provision of public transport and road and street infrastructure. Transport in Europe is a paradox. From a global perspective, Europe already has some of the most sustainable forms of urban settlement, including

⁵ P. Jones, Developing sustainable transport for the next generation: The need for a multi-sector approach, (2012), IATSS Research, 35.
high-quality public transport systems, compact and walkable urban spaces, and the world’s pioneering ‘cycling cities’. However, drive through Europe and you will also see a continuous landscape of congested streets and highway infrastructure, shopping malls enveloped by car parking and monotonous low-density suburbs. This social fabric represents locked-in emissions, while also severely disadvantaging citizens who cannot afford a car to access employment and other activities.

While compact cities in Europe are a positive legacy of previous centuries, in the second half of the 20th century urban areas have sprawled – and in many regions continue to do so – as a result of car-oriented planning. Left-wing governments have been just as culpable in investing in roadbuilding, redesigning cities to prioritise car traffic, promoting suburbanisation, and relying on the automotive industry to deliver economic growth. German, French, Italian, Swedish and Czech car companies have all played a central role in national prosperity and the EU has invested billions in road-building to promote integration, for example through the Trans-European Transport Network. Since the mid-1990s, many governments and the European Commission have committed to sustainable transport policy, yet plenty of car-oriented policy lives on. While we often focus on what progressive local governments are doing to limit car use, it must be recognised that the automobile society was a national project and thus a carbon-neutral state will likely require a broader shift in the relationship between the state and the car.

To achieve a carbon-neutral Europe, politicians must have the courage to abandon automobility – the welfare state and the car need to ‘break up’. Private car use must become a minor part of our transport systems. The current buzz around the ‘future of mobility’ is marked by technological determinism, with consultancies and private companies selling the public sector visions of the inevitable
transformation of cities by autonomous vehicles; and car manufacturers naturally excited about the possibility of future transport policy centring on innovation in vehicle technologies. But many European cities are a prime illustration of the fact that we already have all the tools we need for achieving socially just, low-emission transport systems. To immediately reduce CO₂ emissions, we have to invest heavily in public transport, walking and cycling, which have all been proven to contribute to urban areas that are both low in per capita CO₂ emissions and conducive to social equity and wellbeing. There is great potential for innovations in artificial intelligence and battery technologies to support existing sustainable travel modes, for example through automation and electrification of public transport.

The development of new vehicle-based mobility will therefore need to be steered to complement rather than undermine more sustainable travel. A big question is to what degree electric vehicles should play a part of the mix: while the drastic emission reductions required to achieve carbon neutrality will need consumers to switch to electric vehicles, this must be weighed against other investments, as electric vehicle charging infrastructure is likely to involve significant costs to the public purse. There are signs, for example in the UK Conservative government’s industrial strategy, that an overemphasis on electric and autonomous vehicles as engines for revived manufacturing growth is already underway. Sustainable future mobility should instead combine investment in alternative transport modes with so-called ‘phase-out’ policies⁶ that actively undermine automobility – e.g. dismantling of highway infrastructure similar to the decommissioning of coal power plants as part of the German Energiewende.

The decarbonisation challenges discussed here illustrate how achieving carbon neutrality involves intimate connections between CO₂ emission reductions and the wellbeing of citizens, rather than these being mutually exclusive goals. Some European welfare states have been extraordinarily successful at achieving wellbeing for their citizens, but this has not been achieved in a sustainable manner. This is discussed in recent policy work on ‘sustainable well-being’ in Finland, a concept focusing on rethinking the welfare state within ecological limits.⁷ Such visions must include attention to infrastructure, the urban context and a fundamental break between the state and the car.

**The need for radical empowerment of local governments**

Decarbonising public services and the transport sector within the context of an urban Europe means that local governments have an important role to play, and they must be radically empowered by higher level government. This must go beyond the hype of ‘cities saving the planet’. Recent years have seen a growing emphasis on cities as leaders on climate change, exemplified by city networks such as the C40 Climate Leadership Group that represents 94 large cities globally. The argument is that urban leaders are less encumbered by dysfunctional national politics and have a greater ability to ‘experiment’ with different solutions on the ground (since local governments are typically responsible for delivering infrastructure services). However, to truly harness the potential of municipalities for achieving a carbon-neutral

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Europe, we must diagnose some of the current limits to urban climate action and overcome them.

Every day, we can read about policy innovations related to urban infrastructure, whether an experiment with car-free ‘superblock’ neighbourhoods in Barcelona, or London launching a bike-sharing scheme inspired by Paris. City networks such as C40, and URBACT and POLIS sponsored by the European Commission, allow cities to exchange lessons and for innovations to diffuse. This dynamic goes back to the late 1990s in Europe, but overall progress on transitioning towards low-carbon cities has been slow, as demonstrated by aggregate statistics such as the proportion of people who commute by car in European cities. There are two major limitations to current thinking about the potential of urban climate action.

First, we need to pay more attention to ‘scaling up’ policies within and beyond cities, to complement the existing focus on ‘scaling out’ or replication of policies between cities, as associated with city networks. Any policy intervention that is novel in the context of a particular urban area is likely to first be tested at a limited scale, as a pilot or ‘experiment’. To scale-up experiments in order to transform infrastructure at the city-wide level requires many rounds of investment. Existing research points to the fact that pilot projects can remain relatively disconnected from wider urban policy and thus fail to have transformative longer term impacts. While municipalities exploring new approaches should be celebrated, what happens after an experiment is thus the most crucial aspect. This includes potential ‘scaling up’ of local innovations at the national or European scale through proactive harvesting of local lessons to incorporate innovations.

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within higher level policy or regulatory frameworks. Focusing on replication of policies between cities risks missing the need to translate experimentation into large scale change.

Second, we need to pay more attention to political learning between cities rather than technical learning about specific solutions. Many city networks and EU research and development programmes tend to focus on the latter type of learning. However, there is little documented city-to-city learning regarding politics, such as the differing governance and funding arrangements that allow for success stories of low-carbon policy innovation to emerge in certain urban contexts in the first place. For example, a Hungarian city might be seeking to learn from a French city about its tram system, but the focus is on technical and operational aspects, rather than the versement transport tax on employers that gives local transport authorities in France a comparatively strong resource base for public transport improvements in general.

This leads us to the crux of achieving carbon neutrality in an urban Europe: beyond specific solutions, it is a question of the broader transformation of the state, including the relations between local and national government. Many municipalities in Europe do not have the capacity to achieve the decarbonisation expected of them. To translate experimentation into larger scale action, local governments need three things: control, money and knowledge. The existing European knowledge base on low-carbon urban infrastructure is good, and existing European Commission support for city networks and R&D do an excellent job in diffusing knowledge. However, we must also face up to fragmented governance landscapes resulting from decades of neoliberal privatisation, and the

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differing levels of decentralisation across European member states. Municipal control over urban infrastructure varies widely between countries and sectors, with public transport for example involving privatised ownership or operations in many contexts.

In relation to decarbonising other public services such as healthcare, municipalities often need to coordinate with regional or national public bodies. Decarbonisation in a fragmented governance landscape thus presents challenges. Partly, these can be tackled by problem-solving that is enabled by a healthy level of financial resources. Cities need access to funding that they can use relatively freely. However, fiscal decentralisation, commonly measured as subnational tax revenues as a percentage of total tax revenues, varies widely across Europe, from 4.8 per cent in the UK to 32.2 per cent in Sweden.\(^\text{10}\)

Depending on the context, municipalities are thus reliant on national transfers. For example, Sadiq Khan, the mayor of London running for re-election, has promised to make the city carbon-neutral by 2030, but since the Greater London Authority’s fiscal autonomy and revenue-raising power is very limited compared to other global cities such as New York, Paris and Berlin,\(^\text{11}\) this relies on securing billions of central government investment. Yet, after a decade of fiscal austerity across Europe, many national governments – including the UK – are not investing enough in decarbonisation. Many European municipalities are thus reliant on short-term, project-based EU funding to decarbonise their infrastructure. This supports some degree of experimentation, but it makes decarbonisation a stop-start


process, with the European Commission’s own evaluations pointing to the fact that cities lack funding to scale up pilot projects.\footnote{Tomassini, M. et al, EU financial support to sustainable urban mobility and to the use of alternative fuels in EU urban areas, (2016), Directorate-General for Mobility and Transport, European Commission.}

The Commission faces a challenging political dynamic. While the EU has increasingly sought to support urban areas over time, providing longer term, less conditional funding directly to local governments would be controversial. The first European Green Deal announcements focus on economic transformation through business innovation in ‘clean’ products and technologies, but must also be linked to the EU’s Urban Agenda. A first step forward could be an independent body orchestrating a decentralisation ‘audit’ across all EU member states to assess to what extent sub-national government units possess the necessary functional and fiscal autonomy to decarbonise urban infrastructure.

The moment for meaningful empowerment of local governments in Europe must be 2020. It is thus worrying that urban areas are largely absent within current visions for green state transformation, from the ‘green industrial revolution’ in the 2019 UK Labour party manifesto, to the US Green New Deal and the European Commission’s European Green Deal. With the exception of some references to local authority budgets and bus services in Labour’s manifesto none of these visions really mentions the role of local government. The US and UK visions focus on Keynesian-style job creation through national infrastructure investment. In some variations, the Green New Deal debate is also associated with the metaphor of the wartime state, evoking economic restructuring during the second world war. All of these visions appear to evoke a rather top-down state and need to be more strongly connected to urban policy. In
the case of the UK, experts have convincingly argued that New Labour’s high-spending sustainable transport policy failed to meet its ambition due to the lack of more structural changes, particularly meaningful decentralisation of power to local government.\textsuperscript{13} While the Conservative party’s mid-2000s argument that New Labour instituted a centralised ‘command state’ with respect to local government\textsuperscript{14} is broad-brush, it does also point to the lack of a radical enough decentralisation agenda within UK left politics. To tackle the climate emergency, the next Labour government will need to take a different approach.

Post-war European governments sold the automobile society as a glorious modernist vision of the future and invested billions to bring it into reality. The strength of the proposed Green Deal packages is that, in a similar way, they sell an attractive vision and recognise the very large scale of investment needed to retrofit our existing infrastructure, which ultimately only national governments can underwrite. If Green Deal investment programmes can be designed to effectively channel resources to local government, they could provide the necessary interplay between national and local dynamics to transition away from the automobile society.

\textbf{Nine critically important factors to achieve a carbon-neutral state}

There are many complex narratives for how to achieve carbon neutrality, so to keep it simple, I conclude with a


\textsuperscript{14} G. Clark and J. Mather, Total Politics: Labour’s Command State, (2003), Conservative Policy Unit.
list of nine critically important things to achieve a carbon-neutral state within the context of an urban Europe. In the decade ahead we need to:

1. Invest in policies and technologies proven to reduce the CO₂ emissions generated by urban areas and public services.

2. Rethink the welfare state to include ecological limits, infrastructure, the urban context and a break with car-dominated society.

3. Support local experiments to ‘scale up’, and focus on political learning about effective governance in addition to technical solutions.

4. Radically empower local governments by bringing decentralisation alongside the decarbonisation agenda.

5. Link large-scale national investment to attractive Green Deal visions, while incorporating local dynamics.

To achieve this European governments and political parties also need to consider:

6. Supporting remunicipalisation of urban infrastructure, if services owned or operated by the private sector have failed to deliver social and environmental goals.¹⁵

¹⁵ S. Kishimoto and O. Petitjean, Reclaiming public services: how cities and citizens are turning back privatization, (2017), published by Transnational Institute and an international consortium of partners.
7. Being sensitive to diverse local contexts for just transitions, including existing regional disparities and the varying capacities of local governments to benefit from Green Deal investment programmes.

8. Refocusing innovation policy on the urgency of carbon neutrality, reflecting the EU and UK’s recent shift towards ‘mission-oriented innovation’.

9. A paradigm shift relating to public finance, with European progressive parties arguing “what we need to do, we can afford”.¹⁶

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¹⁶ Following Keynes, A. Pettifor, Transforming an economic system that threatens earth’s life support systems, (20 September 2019), Prime Economics.
5 | MONEY TALKS: BOOSTING INVESTMENT IN SOCIAL INFRASTRUCTURE

Lieve Fransen

Across Europe, investment in social infrastructure has been falling. New models of attracting long-term and large-scale financing are needed to ensure efficient investment in education, health and affordable housing which will boost growth and improve lives.

The financial crisis, the impact of austerity and our ageing populations have left social services and social infrastructures in many European countries in dire fiscal straits. Because of unemployment, fiscal policies and the changing demographic picture, tax revenues in many countries have been falling as a share of national income. Many regions have therefore limited their investment in human capital and social infrastructures at a time when the opposite is urgently required. Spending on social services and infrastructure have reached a 20-year low across Europe. Turning this negative trend around could be the catalyst for the creation of modern welfare systems in Europe and for a decrease of hardship for the poor, the middle classes and the young. It would also enhance productivity and economic growth.
The most successful and competitive economies in the European Union invest more in social services and social infrastructure than the less successful ones. People and social services in those countries were more resilient during the financial crisis. They are also better prepared for the 21st century, when knowledge economies and ageing societies require European welfare states to focus more on preventative social investment than on social security compensation.

In the face of increasing demographic change and transformative technological innovation, cohesive communities, increased equality, economic growth and competitiveness will all rely heavily on high levels of employment and improvements in productivity. Today there is ample proof that social investments in childcare, long-term care, education, active labour market policies, lifelong learning, active ageing and paid parental leave significantly contribute to employment, productivity and tax revenue. They also help reduce long-term reliance on welfare benefits once people are already struggling.

Recent increases in need and demand for social services and infrastructure have been exacerbated by the financial crisis and scarce public resources, but they are also the result of significant changes at the demographic level. The profile of Europe’s population is changing rapidly due to low birth and fertility rates and increases in life expectancy. This rapidly changing reality implies that the already considerable existing gap in social services and infrastructure is likely to become tragic in the very near future in many regions.

Europe’s demographics also pose daunting challenges for the urgently required transformation and financing of social models in Europe in the coming decades. Europe’s successful social models need to modernise, and new financing instruments will need to be developed. Most social policies are still mainly financed by contributions
from the working population and already Europe has one of the world’s lowest proportions of working to non-working population (children, adults without work and pensioners). In 2060, one in three European citizens will be over 65 (of whom one in three will be more than 80 years old), while only 57 per cent of the population will be of working age (18 to 64). This population ageing will have significant effects, particularly on the kind of services and the cost of health, long-term care and pensions. At this stage studies demonstrate how public and private spending on long-term care is increasing rapidly and that there are large differences in spending between different countries.

Not only are the costs for health and long-term care rising but the need and demand for affordable, energy-efficient and accessible housing continues to grow everywhere. The cost of suitable housing is rising faster than the incomes of the populations in many regions.

This reality creates a vicious circle in which many people spend nearly 40 per cent of their income on housing, paying unaffordable rents or depending on subsidies to keep their homes at the right temperature. Meanwhile increasing numbers of people wait on never-ending waiting lists for social or affordable housing or become homeless.

Affordable, accessible and energy-efficient housing has therefore become a critical challenge everywhere in Europe and it is one which should be urgently addressed.

In general, ageing populations, working parents and the need and wish for lifelong learning and healthy living all have altered the environment, the economies and the societies in which we all live and work. This has profound implications for our social models, for the investment in social welfare, for social infrastructure and service provision.

Therefore, modern social models based on lifelong human capital investment will require more and better
social services and new and updated social infrastructure. This approach has been described in the social investment package of the European Commission (2013) and is based on preventative measures along the life-course, starting in early childhood, facilitating women and men to participate in the workforce and in society while ensuring appropriate health and long term care, pensions and lifelong education.

While social services and benefits are critical for a modern social model to work well, we will further focus on social infrastructure in this chapter as a backbone to allow the services to be delivered as close to where people live and work. The changing nature of social infrastructure must be at the forefront of all investment considerations and investment must be done with foresight.

Former European Commission president Romano Prodi recently led a high-level study which selected three large sectors that are absolutely critical for the wellbeing of Europe’s citizens. All three require urgent long-term infrastructure investments: health and long-term care; education and lifelong learning; and affordable, accessible and energy-efficient housing.

Social infrastructure is a subset of the infrastructure sector and can broadly be defined as long-term physical assets in the social sectors (related to education and lifelong learning, health and long term care and affordable, accessible energy efficient housing) and that enable the provision of goods and services. This definition was used in the report of the high-level task force, which also made a distinction between tangible and intangible components of investment.

In the EU since 2007, capital investments on social infrastructure – both public and private – have fallen by 20 per cent. For public investment, as much as 75 per cent of the reduction is due to the collapse of the works carried out by local administrations which, on average across Europe, represent around two-thirds of
total public investment. Some EU countries, where investments in small and medium-sized public works are made at sub-national level, have seen a dramatic decrease in spending on social infrastructure.

According to estimates in the report, current annual spending on education and lifelong learning is estimated at €65bn while the annual investment gap is €15bn; for health and long-term care current annual spending is estimated at €75bn, while the annual investment gap is €70bn; and current annual spending on affordable housing is estimated at €28bn, while the annual investment gap is €57bn.

The total current public investment in 2015 in social infrastructure in the EU (including the UK) was for the first time ever estimated at €170bn. The minimum infrastructure investment gap in these sectors in 2015 is estimated at €100bn to €150bn per year, representing a total gap of at least €1.5 trillion between 2018 and 2030.

Assessment of allocated resources alone does not of course say much about whether those resources are used efficiently or effectively.

For example, in the health and long-term care sector the focus is usually on hospitals and institutionalised care. Some countries – such as Germany, France, Belgium and Hungary – have excess capacity in hospitals (Germany has 8.2 beds per 1000 inhabitants, the highest number of the OECD countries) at a time when it is increasingly recognised that people in need of long-term care prefer to stay in their homes and communities while using connectivity and home services. The long-term care sector faces critical underinvestment and spends too much on large institutions in many regions in Europe.

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Public spending on long-term care also ranges widely, from more than 4 per cent of GDP in the Netherlands to less than 0.5 per cent of GDP in countries such as Latvia and Poland. But however slow, there are positive examples throughout Europe where people-centred, community-based care and support services are being developed which better match the evolving and complex needs of their population.

Capital expenditure in the EU for education was approximately €65bn in 2015, with the UK, Germany, France and the Netherlands accounting for around two-thirds of the total. This points to major underinvestment in some of the other countries where the need is even higher. Per pupil, Spain spends €183 and the Netherlands €1,283. On average public investment dropped in Germany, France, Italy, Spain and Portugal at a time when our knowledge economy requires important and continuous investments in lifelong education.

People’s needs are evolving, and they expect their services to become more people-centred, accessible, energy-efficient and affordable. When taking stock of the gap in long-term predictable investments in social infrastructure, we therefore also need to recognise that future services need to innovate and sometimes to be transformed entirely to meet people’s needs and expectations.

**Social infrastructure investment will need to be smart and future-oriented**

Future investments in social infrastructure will need to be built on changing social and economic realities and will demand new financing models and investment conditions to draw in long-term finance.

Long-term planning and better partnership and cooperation between separate sectors such as education, health and social care and affordable housing will be crucial.
Planning of social infrastructure should be future oriented, long term and include a mix of educational institutions, affordable housing and specialist regional healthcare facilities – and the infrastructure and the services provided should be flexible to be used at different times for different purposes such as emergency housing, adult learning and social enterprise incubators.

If we are to move to smarter investment in infrastructure, the following elements are key:

1. Digital platforms facilitating tele-health and distance learning.

2. Interconnected infrastructure – reinforcing the availability of data networks and assistive technologies.


4. Multipurpose buildings. Most buildings are only used during a (small) part of the day. Capacity to plan multipurpose use should be developed. A ‘one stop shop’ model for a variety of services offered in one hub can help here.

5. Flexibility. More and more service providers don’t buy or build their own infrastructure. They lease or rent what is needed. Contractual flexibility, renting or leasing might trigger a different effect on the infrastructure market.

6. Stewardship by public authorities. It is their responsibility to steer, contract and introduce partners.

7. People. Workforces need changing skills and competences so investment in flexible social infrastructure should take the human element into account.
8. Localisation and an integrated approach. For instance, energy-efficient and safe housing should be made available in environments where people want to live and where socio-economic opportunities are available.

9. Accessibility. All facilities need to be accessible to all persons with disabilities or any other physical or learning difficulty.

The financing models for investments in social infrastructure will need to evolve quickly and over the longer term. The proportion of social infrastructure that is publicly financed is around 90 per cent of the total on average although this varies across sectors. Investment in social infrastructure differs from economic infrastructure, with the latter often relying on the cashflows they produce. This does not mean that social infrastructure may not attract private finance. In fact, social infrastructure investments carry lower risks and can be attractive as they provide stable predictable returns, if the projects are large enough and the resources from different sources are blended.

Social infrastructure projects deliver public infrastructure assets and services in exchange for a revenue stream mostly paid directly by the public sector. Usually social infrastructure projects rely on financing by the public sector – unlike economic infrastructure such as toll roads, ports, airports or power stations, which usually collect revenues from end users. In some cases – in affordable and student housing, childcare and elderly care, and healthcare in certain countries – external cashflows can contribute to a revenue stream to repay part of the investments.

Due to the ‘public’ nature of social infrastructure, public procurement is the most widely used contractual arrangement, in which the public sector is the one dealing with the large majority of risks. It is critical to improve and promote
the use of strategic public procurement schemes to respond to societal, environmental and economic objectives.

The EDHEC-Risk Institute estimates that roughly 99 per cent of existing social infrastructure projects in Europe entail a total capital investment of less than €1bn, with the great majority of projects below €30m. The cost of providing services is usually much higher than the capital investment needed for the construction and realisation of the infrastructure per se.3

These small-scale capital investments offer great opportunities for portfolio diversification. This is in opposition to investments in major economic infrastructure, which entail a great deal of concentrated risk. The potential for increased portfolio diversification makes social infrastructure investment particularly attractive to investors.

Social infrastructure has other attractive features for private/institutional investors, such as: low volatility of returns (payments from the public sector are usually agreed ex-ante and tend to be inflation-linked) and low correlation with risks from other assets (the ‘public’ nature of a social infrastructure investment reduces exposure to market risk and to systemic risks within capital markets).

However, the small average capital investment size of social infrastructure projects makes direct infrastructure investments unattractive to large long-term investors as they face relatively high active management costs for such modest levels of investment. Financial intermediaries are therefore key in order to channel institutional investors’ money towards social infrastructure investments. Bundling of projects could also bring a partial solution by lowering the cost for the public sector and the risk profile for investors.

3 EDHEC-Risk Institute, Pension Fund Investment in Social Infrastructure, (February 2012), Insights from the 2012 reform of the private finance initiative in the United Kingdom.
Institutional investors have the possibility to invest equity through listed infrastructure funds, unlisted intermediary funds, investment platforms or directly at the special purpose vehicles (SPV) level. On the other hand, there is still a lack of more liquid debt instruments. Social bonds are very promising new instruments, but still need to develop at greater scale.

In many regions, Europe’s social infrastructure gap will not be closed with local public finance alone. Europe has a great opportunity now to crowd in private investment and harness innovative approaches for social infrastructure and services by blending resources and bundling projects to create large investment platforms in cities and regions where change and resources are needed most.

Stakeholders and local authorities need support to prepare a pipeline of bankable framework projects to make this change happen now. The right framework will partially be in place once the new Multiannual Financial Framework and InvestEU are successfully adopted and operationally launched in 2021.

Across Europe, existing best practice and models should be widely shared to increase the number of initiatives that can deliver rapidly at scale.

Investing in social infrastructure is of course far from being the definitive and final solution to the challenges ahead, but it is certainly a crucial instrument to create inclusive growth and to strengthen the social bases of Europe. The goal is to accelerate the creation of jobs, improve the wellbeing, health and skills of citizens and make housing accessible, affordable and energy efficient. In this way we can make Europe more competitive and productive while improving the lives of all, across generations.

The member states, the European Commission, the European Investment Bank and the public banks have already made major efforts – but we need to step up together now, at the pace and level of ambition that is
required. Long–term, flexible and efficient investment in education, health and affordable housing is essential for economic growth of the EU, the wellbeing of its people and a successful move towards upward convergence in the EU.
Digital technology can genuinely improve public services, but only if the technology is treated as a useful tool, rather than a solution in and of itself.

Digital technology is often heralded as the solution to the problems facing today’s welfare states, from an ageing population to declining public budgets, climate change and more. The idea is that the generation and use of data will make public services ‘smarter’ and radically more efficient. But it is often difficult to define exactly what ‘smart’ entails, and it remains unclear how technology will solve the difficult political and social questions that arise when people live together in a shared space and need access to scarce resources, like housing, healthcare and transportation.

In 2013, Evgeny Morozov described the idea that there is a technological solution for every problem as ‘technological solutionism’.1 Unfortunately, this thinking is still prevalent today, including in the domain of public services. This is not to say that digital technology cannot

1 E. Morozov, To Save Everything, Click Here, (2013), PublicAffairs.
create a range of improvements in the way public services, such as healthcare and public transport, are delivered, but to realise those benefits will require a different approach towards technology. It will require dropping utopian discourse in favour of a more sanguine assessment of citizens’ needs and societal problems and the role digital can (and cannot) play in helping to address these. Only then can we avoid the disappointing results of digital systems that fail to deliver the outcomes promised, create unintended consequences, or never see the light of day at all.

In this chapter, I will deconstruct the simplistic account of the potential of digital technology and suggest some alternatives lenses to look at technology, as a tool among many others to drive positive change. Of course, digital technology is a very broad concept and it interacts with matters of public interest in a wide variety of domains. Here, I take a broad view and include any technology that involves data collection and processing that affects the delivery of public services. This includes for instance the use of automated decision-making systems (‘artificial intelligence’) to decide on the delivery of social goods such as housing or welfare services, but also networks of connected devices (the Internet of Things) that can map physical space and be used to track and steer traffic patterns and public transport systems.

Technological determinism

At the moment, digital technology is often seen as inevitable, as something that will ‘revolutionise’ or ‘disrupt’ public services. That means it is often touted as the solution, even before the problems it is supposed to address have been carefully examined. Other non-technological solutions are too often pushed to the margins. For instance, for the past decade, there have been wild predictions that blockchain technology would become the linchpin of public institu-
ctions or – almost magically – replace them altogether. Without going into the technical details, the assumption was – and still is in some quarters – that computing power and cryptography would allow people to verify the authenticity of data, for example medical records, somebody’s identity, or the performance of a contract, without a need for trusted intermediaries, such as public authorities. Yet more than 10 years on, there is still no widespread public sector application for blockchain and many doubt that the technology offers significant benefits over more traditional databases. In fact, when researchers evaluated 43 blockchain projects, they found zero evidence that any of them had achieved their aim.

There has been a similarly myopic focus on ‘autonomous driving’ as the future of urban transport. Yet, it is now clear that predictions that ‘everyone would be a permanent backseat driver’ by the 2020s are way off the mark. In addition, and as Emilia Smeds notes in her chapter, the focus on narrow technological solutions such as ‘autonomous cars’ takes attention away from more mundane strategies that have been proven to work, such as investing in public transport, or making urban environments more suitable for cyclists and pedestrians.

Right now, artificial intelligence is all the rage and here again, the future ubiquity of the technology is just assumed, and it is taken as fact that the benefits will be immense. Whilst such narratives are pushed by technology vendors,

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2 For a good account of this deterministic thinking surrounding blockchain see D. Columbia, Zealots of the Blockchain. The true believers of the Bitcoin cult, (2018), The Baffler No. 38.
3 J. Burg, C. Murphy, and J. Pétraud, Blockchain for international development: Using a Learning agenda to address knowledge gaps, (2018).
4 T. Adams, Self-driving cars: from 2020 you will become a permanent backseat driver, (13 September 2015), The Guardian.
they are all too readily accepted by public authorities. For example, in its recent White Paper on AI, the European Commission proclaimed that: “AI will change our lives by improving healthcare (...), increasing efficiency of farming, contributing to climate change mitigation (...), increasing security of Europeans, and in many other ways that we can only begin to imagine.” This hyperbolic language is a shame, because it obscures the contingent nature of technology and the fact that it does not exist in a vacuum. Whether or not ‘AI’ or other technologies will be beneficial depends on who designs them, for what purpose, and under which conditions they will be allowed to operate.

Because policymakers look at technology as something fixed, they may also fail to realise that the design of digital systems incorporates numerous choices, with political ramifications. Austria’s employment agency, for instance, has asked an outside contractor to develop an algorithm to determine to which job-seekers the agency should dedicate most of its resources, based on efficiency criteria. On the surface, that makes sense. How could anyone argue against the efficient use of public resources? But it turns out that the system penalises elderly workers, women, the disabled, and more generally people that are less likely to find a job. For the system, it is a waste of resources to help people that ‘cannot be helped’.

This example shows that a narrow focus on efficiency hides trade-offs that may affect core values such as fairness and solidarity. In fact, the unconstrained optimisation of public services in the name of efficiency upsets the very logic on which the welfare state was built. These problems surface in the design of digital systems (what do you optimise for), but also in the data collected, which can never be neutral, but reflects existing societal biases. As has been

5 N. Kayser-Bril, Austria’s employment agency rolls out discriminatory algorithm, sees no problem, (2019).
pointed out by Virginia Eubanks in her book Automating Inequality, when automated decision-making systems are not specifically designed to reduce inequalities, their speed and scale will instead intensify them.

The apolitical view of technology also makes it more difficult for public authorities properly to understand and oversee the systems they use and to ensure their transparent functioning. For example, in the Netherlands, public authorities developed an automated risk-profiling system (SyRi) that combined data from a variety of databases to detect fraud by welfare recipients. Citizens had no way of finding out they were under surveillance or considered a risk and when there were negative decisions (such as fines or benefit cuts), they would not be able to get a proper idea of how the risk report was created. Such an approach risks undermining fundamental human rights such as the right to privacy and non-discrimination. Beyond that, this case also shows that the incentives matter. In times of cost-cutting and an austerity mindset, the optimisation of public service delivery via digital technology is in practice more likely to restrict access to social services rather than the opposite.

If you view the use of digital technology as a matter of neutral, technical efficiency, it also easier to outsource the design and delivery of digitised public services systems to private providers. This is particularly attractive for cash-strapped authorities that have been forced to do more with less. And so, for many projects that aim to digitise urban infrastructure and public services, municipalities rely on a dozen global corporates, such as General Electric, Google, Amazon and Huawei. While these firms are no doubt very competent at what they do, their data scientists are keen to reduce complex social issues to abstract

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6 A. Toh, Dutch Ruling a Victory for Rights of the Poor, (2020), Human Rights Watch.
optimisation problems, for which they claim to have objective, value-free solutions.

However, paradoxically, this focus on technology and efficiency does not lead to intelligent public services, but to solutions that are often surprisingly dumb. Just as economist Amartya Sen criticised economists who reduce people to self-interested ‘rational fools’, it is a tricky business to use data to assume people’s preferences, predict their future behaviour and ultimately steer it, rather than asking and involving citizens directly. In fact, many areas that are important to citizens, such as economic opportunity and quality of life, are not easily measured with a sensor, and hence do not factor into such digital systems.

In addition, these conglomerates bring the industrial logic of global supply chain management to what are in fact social, and often local, issues. Although they tout the offer of personalised and tailor-made digital solutions, such an approach is often very difficult and costly and so they present off-the-shelf solutions instead. What is more, because private operators have a commercial interest in obtaining and using the data that these infrastructures and services generate, they are often wary of sharing data and allowing scrutiny of – and access to – the functioning of their technology, by referring to trade secrets and the protection of their intellectual property rights. Given their scale, power, and knowledge, they often get away with it.

As a result, even authorities themselves fail to fully benefit from the datasets they built and curated and the digital infrastructure they funded. Beyond that, interested third parties, be they concerned citizens, civil society

organisations or local businesses, should have the right and possibility to understand, adapt and improve the technology to better fit their local circumstances and needs or to innovate on top of it.

Charting a new path

How then, could digital technology be used to improve public services? The answer lies in taking political and social innovation seriously and casting technology in a supporting role. As Hilary Cottam has illustrated in her book Radical Help, digital tools can be extremely valuable, for example in providing the type of online platform infrastructure that can facilitate the delivery of social and care services at local level. But as she emphasises, it is essential to focus on human relationships first and use digital technology to facilitate those connections. This is very different from the current approach of relying on digital technology to increase ‘efficiency’ and reduce staff. In addition, the approach Cottam advocates focuses on small trials, that can later be adapted to different contexts. That again stands in stark contrast to many of the immense projects undertaken by governments, which are often implemented in top-down fashion, and meant to increase central control.

To be able to carry out such a people-first approach, public authorities should recognise that it matters who controls and manages the digital technology that underpins or affects public services. They should refrain from fully outsourcing crucial city infrastructures, such as the digital systems underpinning public transport, or the data collection and analysis that informs the delivery of healthcare, with little public oversight.

The few global firms that dominate the market for big data analytics and ‘smart city’ infrastructure, have financial incentives that are often not in line with citizens’ interests, for instance concerning privacy. Therefore, decisions
such as the UK’s recent move to give Amazon free access to healthcare information, should not be taken lightly. As the Ada Lovelace Institute noted, the contract shifts the balance of power from the authorities to Amazon, giving it a worldwide, irrevocable license to access the data, in perpetuity.\textsuperscript{9} It is symptomatic of authorities’ casual involvement of private parties in the delivery of digitised public services, without having set clear conditions around the data that are generated as part of the contract, how that data can be used, and how socially produced data and data-driven public services to benefit citizens and the public interest can be guaranteed.

It is clear, then, that authorities should take more ownership. They should beef up in-house IT capacity and set clear standards when contracting out IT services. The UK government has set an excellent example in some respects, for instance by committing to make all source code open and reusable. By committing to interoperable and open standards and a transparent way of working, authorities can ensure that they – and other actors such as citizens, civil society and local business – can adapt digitised public services to local contexts and ensure they are open to citizen feedback. It also avoids public authorities from becoming dependent on one contractor that controls the rights and knowledge to repair, upgrade and adapt crucial systems (for a hefty fee).

More public involvement in the digitisation of public services also paves the way for more participatory approaches. As Simon Kaye notes in his chapter on the need for community-led approaches to public services, empowering communities to design public services can increase trust and citizen satisfaction, and effectiveness. As Barcelona’s city council has shown, digital technologies can

\textsuperscript{9} Ada Lovelace Institute, Health Data Partnerships: Amazon/Department of Health and Social Care – Ada’s view, (2019).
be extremely helpful to drive such an agenda forward. It has developed an online platform – Decidim – that enables citizens to become involved and consulted on budget priorities and the design of public policies. This does imply that cities get the space, budget and competence to experiment with more digitally enabled participatory approaches to delivering public services.

Finally, while cities such as Barcelona are taking the lead, innovations at city level alone are not enough to spark the types of changes required. As Emilia Smeds notes in her chapter on carbon neutral states, a critical challenge remains to create room for innovation at city level, and to make sure that local successes spark large-scale change across the state. In addition, policies around data protection and public procurement, which are key to delivering transparent and citizen-friendly services, are often set at national, EU, or even international level. And the power differential between small municipalities and global technology firms warrants central guidance and support. Therefore, national and international authorities have an important role to play as well in delivering digital technology that serves the public interest.

Conclusions

On the basis of this assessment, we can draw five conclusions.

1. The implementation of digital technology in public services should be much more transparent. Without transparency, there can be no accountability, which is essential for public infrastructure that affects citizens’ rights.

2. The fundamental rights of citizens should be front and centre. This includes privacy and the protection of personal data, but also the right not to be discriminated
against, which is especially at risk from automated decision-making systems.

3. Digital technology does not operate in a vacuum, but is part of a broader ecosystem of people, communities and institutions. To make sure systems are useful and beneficial to citizens, the latter have to be involved in all phases of the process, from design to implementation.

4. Public procurement is a crucial tool for public authorities to implement the principles of transparency and participation. It gives authorities a lever to demand transparent and interoperable services, as well as control over what types of data are gathered, for what purpose, and who can access them.

5. Innovation is much wider than digital technology. Often the best results combine new digital tools with new forms of governance that are more open to citizen participation and feedback.
Digital technology is now central to public service and government. But even though many services have moved online, long-term organisational changes are needed before technological advances can be used to their full effect in response to today’s greatest challenges.

‘Digital government’ in the UK is nothing new. The introduction of technology has come in wave after wave since the 1980s, with massive acceleration coming with the creation of the Government Digital Service from 2010 onwards. Now, most major central government services in the UK can be accessed online in some way, from universal credit and filing a tax return to claiming money through the courts.

At the same time, the government has grown a ‘digital native’ skills base, with previously outsourced IT services now being provided in-house by civil servants, supported by contractors. And digital expertise is a recognised leadership position, with most major government departments having some kind of chief digital/technology officer able to influence at the highest level in a department.
This is all encouraging, as well as necessary. However, we still have a long way to go. Services have moved online but are still separate from the core policy work which makes so many vital decisions for the country, as well as being a vital part of the democratic mandate. We are lagging behind in understanding government’s role in the burgeoning global data marketplace, including what the UK’s position should be when data doesn’t reside here. We are not yet able to provide clear boundaries to private firms whose behaviour has wide-ranging implications for this nation. We are not mature in tackling the dark implications of global information movement, with fake news able to tip elections and no single nation in a position to stop it.

And, above all, we still do not have a clear position on how government should wield technology to fight the complex problems facing us today, like the climate emergency and the ageing population. Over the next decade our government must use the potential of digital technology to reimage its relationship with its people; to balance innovation and ethics; and to tackle the issues that threaten society at large.

But how might it do this? The following are postulations on the changes that the government could make to start to eat into the above challenges. They are not designed as predictions – the world is not that easy – but as positive proposals. They are coloured with more than a tinge of hope.

**Structure and skills**
Technology can be totally intertwined with the workings of government

At the moment, digital and technology operate as standalone functions in every government department. They provide a range of services internally and externally, from hardware provision to core public services. Crucially, in almost every case technologists are physically separated
from policymakers and operational staff – sometimes by necessary constraint (where services are offered in a distributed model, such as the prison system), but just as often for cultural reasons – specialists sitting with their own specialism.

If all goes well, by 2030 this will be a thing of the past, with technologists sitting in cross-functional teams also containing policy and operational staff as well as legal experts. They will work together to shift the dial on clearly defined human outcomes, with policy interventions designed with digital-first ways of working in mind. Government will use technology, particularly social media, to gain instant feedback on services delivered, with potential improvements fed into the policy-making cycle for further iterations of innovation.

Over the next 10 years, central government service teams will increasingly work closely with local government service teams to make the experience of government technology seamless, regardless of the type of service offered.

Digital expertise for senior leaders will be not just legitimate, but vital and expected in order to have sway over how a government department is run. The most senior leaders will be educated in internet-era technology, fully able to understand the implications of modern technology for the UK and to make decisions for the good of the nation.

The role of technology in the running of government will have begun to alter its structures entirely. Departments currently split along policy portfolio lines will have been reshaped through machinery of government changes to focus more on real-life outcomes. Whenever Whitehall is next restructured a department for climate change should perhaps be joined by departments for equity or for better ageing. Technology will be core to service delivery in these departments, but will also be essential in their operational running, in measuring their impact, and on communicating between them.
There will be changes in how public servants work with other sectors too. Data sharing between the charity/civic sector will be legitimised and celebrated, with central government funding for better sharing of technology and data across sectors. We will see the beginning of seamless referral processes between sectors which allow services to more meaningfully measure end outcomes, while allowing people to retain ownership of their personal data.

**Democracy and activism**

Technology can increase government’s accountability to those it serves

One unquestionable shift in the role of technology in the modern era is its impact on civic activism and democracy. From the potential of fake news to tip elections to the ability of social media platforms to enable mass acts of civic vocalism, government is no longer able to ignore the impact that technology has on the way that the country is run and society at large.

In 10 years’ time, digital technology will have fundamentally changed the relationship between people and government. The experience of Brexit, Extinction Rebellion and other seismic shifts in UK society will increase citizens’ confidence to challenge government through technology. Politicians and civil servants will be more open online and on social media, using technology as a force for good in allowing people to have a voice in how government runs.

They in turn will be fully harnessing social media as a direct feedback source for emerging ideas and will take the responses seriously. Once services are running, anyone will be able to give feedback on how to improve them, and whole service teams will have responsibility for making those services more efficient and user-friendly.

And the government will publish open data sets at a greater rate than ever before, giving the public access to
information which they can analyse and use to hold the government to account. This will move past simply being a PR exercise for government departments proving that they are ‘open’, towards co-creation of useful data sets and insights with cross-sector groups. For example, we may see interest groups or external analysts using outcomes data to prove a direct correlation between cutting benefit rates and additional pressure on NHS mental health services – and experts from outside government better able to advise on how to avoid simply shifting costs from one budget to another.

This new wave of public participation in government through technology and data will inform further policy development, which will be carried out in iterative cycles rather than as a linear path with implementation as an end point. The feedback won’t only relate to existing services and policies, but also to processes, new ideas and the purpose of government.

This will in turn affect the workings of parliamentary democracy, with outcomes fed back to those setting policy and debating ongoing legislation. This will lead to efficiencies, as we use real human experience to better understand what works in policy design, and are empowered to ignore structural boundaries to work with whichever other public servants and sectors are necessary to create the outcomes we desire. For example, we may see live tracking in parliament towards our carbon neutral pledges, with legislation drafted quickly to respond to this.

**Equity and accessibility**

Technology can democratise service availability and help create a more equitable society

Over the next 10 years, the public sector will realise the huge potential of modern technology to make our society more equitable and increase service availability for everyone.
All public services will be available online, removing the need for travel for many who currently need to access services face-to-face such as job seeking and primary healthcare. People will get equal service regardless of their ability to reach a public building, which will have far-reaching implications for disabled people, carers, shift-workers and rural communities. Health outcomes for the poorest will improve as the health sector moves increasingly online and government takes advantage of automation to speed people’s access to vital medicine, diagnostic tools and both primary and secondary care.

At the same time, we will see a pronounced move away from ‘channel shift’ as a perceived end in itself, towards technology as an enabler of much better user outcomes. To service users, this will be felt as a choice of how to interact with government, where different points of a journey can be done online, face to face, over the telephone or in a mixture of these. Regardless of the channel used, people will only have to tell government once of a need or an event, and that information will be seamlessly propagated around the necessary service.

New public services will be accessible by default. Accessibility will be no longer considered a digital add-on, but something which takes account of the physical environment and people’s cognitive and emotional needs.

**Service delivery**

Government services can be frictionless, highly available and increasingly automated

Over the next 10 years, we will see a new wave of collaboration between service delivery professionals in the public sector and service users. For the first time, services will be co-created with groups of service users. Civil servants will be rewarded for collaboration with citizens and other sectors to make services and processes seamless, increas-
ing public trust in government and allowing for quick improvements for the benefit of all.

This will be one part of a wider maturing of service delivery models, from the assumption that services must be ‘activities’ undertaken by public servants, to the concept of ‘invisible service delivery’. In this model, better integrated data sources – with open standards governing them – will allow tasks previously up to service users to be done without their intervention. These could range from automated repeat prescriptions for some health conditions to only having to tell government once about a change of address or circumstances. Government will strive not to put the cognitive burden on people to remember that they need something, with notification patterns maturing massively without compromising or sharing personal data. This move will hugely increase efficiency internally and reduce stress for the general public.

Services will no longer differentiate between whether they are being offered locally or nationally, with tasks and offerings based on individual need. We might see people being able to do multiple tasks at the same time (like pay a council tax and income tax bill together), or receive automatic updates where circumstances change.

In health, technology will aid decision-making, improving efficiency for healthcare practitioners. AI will be highly influential, affecting everything from diagnostic tools to bedside care.

Automation will remove many administrative or repetitive tasks from operational teams, leaving them to focus on high-value relationship building with our most vulnerable people. This will change the shape of the welfare state, improve social care and allow educators and health professionals to take more time to understand and help the people they are serving.
Sustainability
Technology can improve sustainability within government and for the UK

As the role of technology in government matures, the public sector will be increasingly aware of the carbon footprint of its services and operations. It will use technology to understand how to measure and improve its climate impact, as well as forecast and model options. We will have frameworks to help it find the most sustainable operating models, considering not just the direct impact of serving the public, but also people’s carbon footprint in accessing those services.

Government technology itself will be innovating to become more carbon efficient, ensuring that new technology doesn’t always have to mean increased emissions.

More widely, the government will also directly be investing in decarbonisation innovation, funding experiments from within the Treasury to directly tackle the climate emergency. Central government will become a major funder of innovation technology, helping to build a market where organisations of every size can collaborate to use technology to keep the UK and the world within its carbon emission commitments. This technology, being publicly funded, will be shareable across the world, allowing the UK to be a leader in minimising the impact of the climate crisis.

Technology will also be used to make the UK economy more efficient. Automation of many tasks currently done by public servants will crystallise the debate about shorter working weeks, with the public sector pioneering different working patterns which also reduce the carbon impact of travel for public servants.

Shorter working weeks will have a positive impact on mental health as well as sustaining productivity, which, in combination with climate concerns, will prompt
How public services will be reshaped by digital technologies

government to focus less on economic growth as a singular success measure for the UK. This will follow a string of governments moving towards planetary health and personal wellbeing as primary markers of success rather than GDP, such as New Zealand and Scotland.

**Governance**
Government can provide a legislative and ethical framework and industry boundaries for digital technology across the UK

Over the next 10 years, we will see the government take a more confident and structured stance on the role of big tech firms operating in the UK, being particularly vocal on the use of UK citizens’ and residents’ personal data. In a decade’s time government will have shifted its relationship with big tech, enforcing more clarity and accountability over the use of private data.

For the first time we will have an iterative ethical and legislative framework for the use of personal data, both for government itself and for companies who operate in the UK. This framework will allow government to intervene to ensure its people own their online presence.

It will also go wider, better defining and interpreting how to responsibly use technology as a whole. This may manifest in different standards for public services, as well as public information campaigns and prosecutions for organisations which flout legislation.

More narrowly, we will also see structural and procedural changes brought in to help the public sector better understand the wider societal implications of its digital technology. Business cases will take account of the social value of online service delivery, not just the economic benefits. This will allow public servants to build more rounded cases for services, including aims such as improving equity or wellbeing for service users.
And internal services will be revamped using the same types of technology the public sector builds and buys for its external service users. Modern shared and corporate services will make a range of internal tasks exponentially easier, from financial management to hiring. With this, it will be easier for money to flow between government departments; we will see far swifter shifting of funds between accounting pots, putting investment where it is most needed and giving hard incentives for the first time for different departments to work closely together. Funding will begin to be channelled more intelligently towards real human outcomes, not just through default organisational silos.

To support these changes, we will see the growth of specialist legal and data skills being brought into government from the private sector, so that government can hold big technology companies to account on their use of citizen data and create legislative (and possibly taxation) frameworks that protect the individual.

**Conclusion**

It is clear that governments around the world will be profoundly affected by digital technology in the next decade. We must be optimistic about the potential of technology to help us make the world better – to work towards a sustainable climate, more equity and greater personal wellbeing.

However, to make this a reality we must urgently work to harness the best of what digital technology has to offer while mitigating some of the major risks, such as loss of privacy, the carbon footprint of new technologies and the potential risk to human employment.

To do this, the UK government must work to reorganise itself around service delivery. This means ignoring departmental and professional boundaries to work towards better human outcomes. It should use the potential of digital to
make services more accessible, clearer and more connected to minimise people’s touchpoints with them. This would free people up to get on with their lives.

It must put technology at the heart of how it works as well – not just transforming services but making digital part of its own processes, its policymaking and its skills and leadership. It must educate itself so that government can no longer be blindsided by industry.

Government should set out a clear set of frameworks and guidelines to control and influence how the latest technologies are wielded. It should consider policy interventions to enforce these frameworks, including considering its role in the data marketplace and working to ensure that people’s data is focused on improving their lives rather than controlling them or profiting from them.

It must take a stronger stance on the development of AI, allowing the UK to benefit from it while striving to protect those whose livelihoods are at risk of automation.

And above all it must use technology to help save the planet, investing to help reduce climate change, protecting those it serves from the impact of a changing climate and sharing its research, its resources and the best of its minds to act as a positive global player in the climate crisis.

Digital technology has huge potential to improve health, education, welfare and equity for everyone. With the right attitude and investment, we can make this a reality.
New technologies have the potential to revolutionise the relationship between citizens and public services. But we must resist populist suspicions and instead build trust and public engagement if we are to realise the vision of digitally enabled services for all.

It has been a tumultuous few years for the public sector. Austerity, Brexit chaos and the rise of populism have placed considerable pressure on UK local government.

In its 2012 budget, the then coalition government announced its ‘Digital by Default’ commitment as part of the government digital strategy. At the time, moving offline services to digital channels was expected to save between £1.7bn and £1.8bn. The government’s declared aim was to provide digital services ‘that are so straightforward and convenient that all those who can use them will choose to do so whilst those who can’t are not excluded’. However, against the background of contemporary uncertainty and financial constraint, simplicity and accessibility are increasingly difficult to achieve.

Local authorities are forever striving to overcome barriers to efficient and fully inclusive digital service provision, driven by the determination and conviction to improve services and outcomes for the people and communities
they serve. One of the major hurdles they face is negotiating communication barriers and reaching individuals meaningfully, at a time when the way people speak to each other and interact socially has fundamentally changed.

If we don’t get the message right and ensure that the language we use is empathetic and intelligible, how can we create services that meet people’s expectations and have a positive and enduring impact upon their lives? Over the next 10 to 15 years, the way in which we start and maintain conversations with service users will remain critical in developing digital public services that leave no one behind.

In 1998, Switzerland and Slovakia were the only European nations with populists in government. Fast forward a little over 20 years and the rise of new populism has been exponential, not just in Europe but globally. It has dramatically changed the means that people use to talk to each other and, more significantly, the way people hear and respond.

In the UK since the 2016 EU referendum, populist tactics and rhetoric have placed a considerable strain on digital service delivery. We are in an environment where people’s online experience is frequently steered and contained by the commercial objectives and fixed parameters of brands such as Facebook, Google and Amazon. The former’s Instagram filters mirror the populist penchant for shrouding reality in short, soundbite slogans and airbrushed images. We see the influence of social media in Boris Johnson’s championing of the ‘ordinary people’, at odds with his membership of a self-interested elite. His social media-influenced dumbing down of language is both deliberate and faux. It frustrates the public sector’s drive to deliver digital services using simple, honest language which is both accessible and clear. By fostering a ‘them and us’ divide between people and perceived authority, populist language drives a wedge between
local government and the people it represents and serves. Accessing support and information is increasingly perceived as a necessary act of submission to the elite, rather than a basic human right.

Over the next decade, and beyond, it is vital that central government works to loosen the grip of populist language on the people. It is imperative that administrations work in collaboration with our society to create a people-centric lexicon that places engagement and dialogue at the heart of communication. This should not be a document, but more a research-based examination of the link between digital services and conversation – an agreed approach to improving communication strategically.

This will be an ongoing battle and needs to be flexible and accommodating of both societal change and disruptive technology. Even moving from expressions such as ‘paper-free’ to the more accurate and less draconian ‘paper-light’ is instantly more engaging and user-friendly. If we cannot establish the right voice in which to speak to people, how can we expect them to share the information needed to develop proactive and sentient services?

Proactive and sentient services require data. Data about people, families, communities and places has the potential to enable automatic service provision without request. This greatly improves user experience and efficiency. It can also prove lifesaving. Everything from healthcare, welfare provision, mobility options and highway maintenance to environmental management can be delivered immediately and responsively. Without dialogue and trust, however, these potential strides towards reforming public services will be thwarted. If we cannot harness this, how can we move forward?

The way people interact with public services should be evolving all the time to reflect their changing needs and preferences. However, without moves to strengthen engagement, progress will at best be impeded and at worst
non-existent. We at Socitm advocate a ‘simplify, standardise, share’ approach to improving digital services and by adopting this model, central government can unlock the potential of digital service delivery. It is also essential that government begins to ‘co-create’ services with the people who use them in order to determine how best to design and deploy them. Only then will it be possible to create truly intuitive services.

If this recommendation is acted upon, the creation of ‘smart places’ becomes a reality. In these environments intuitive, fully digitally enabled services can be provided. In the next 10 to 15 years, everyday activities should mean instant interaction with public services. For example, becoming unemployed should immediately trigger appropriate benefits and support; walking or cycling down the street should instantly report and triage problems needing attention.

Socitm is working to actively enable a ‘left shift’ of intervention in people’s health and wellbeing from the relatively expensive, acute end of the system, to an earlier point grounded in community and place. We know that this is only possible through engaging with citizens themselves. Central government, too, needs to consult with society and take a fresh look at how the determinants of people’s wellbeing can enable all public services to refocus efforts on addressing the often entrenched and endemic problems in our communities. This will provide the context for them to examine how digital technologies and better use of data can help deliver this transformation in collaboration with people in their diverse settings.

Sustained digital participation, underpinned by ICT support in the community and in the home, is an essential for societal engagement. Central government needs to move away from its current top-down approach towards a collaborative model. Funding also needs to be applied consistently rather than in electioneering spurts. Local
Digital public services for all
government has a crucial role to play in empowering
and enabling grassroots-led digital participation and is
uniquely well placed to do so in partnership with users
and other relevant local stakeholders. It is essential that
administrations hear their experiences and leverage their
understanding of how to involve and engage people in the
development of co-created services.

Where this approach is not adopted, service delivery
fails and producer-led digital services become paternalistic
and alienating. A prime example is the rollout of universal
credit’s digital service in 2017. The system hinged on the
establishment of a fixed monthly ‘pay day’. The inflex-
ibility of the system means assessments are made solely
based on the circumstances of individuals and families at
one fixed point. Therefore, claimants whose circumstances
change within the period between payments are not remu-
erated fairly. For example, someone finding employment
mid-month will not receive full benefits for the period of
the month they spent without work.

Typically, during this period, our members reported
that system design of the digital by default benefit led
directly to a deficit of support for people with mental
health needs, for those who did not have English as a first
language, or for those who lacked the digital or literacy
skills to make and maintain an online claim. Many coun-
cils reported that requests for digital support constituted
almost a third of appeals for financial assistance. The lack
of a people-centric approach to the system also inflicted
greater workloads upon already exhausted local govern-
ment reserves because council benefit departments were
required to process applications prior to passing them on
to the Department for Work and Pensions (DWP). This is
particularly alarming given the DWP’s own survey data
suggests 46 per cent of people claiming universal credit
need help applying online. The same data shows that
a quarter of applicants who fail to submit their claims
online put it down to difficulties accessing computers or the internet.

In April 2019, under the banner of ‘help to claim’, a contract to provide UC applicant services was awarded to Citizen’s Advice. In order to access these services, claimants must give their explicit consent to their data being shared with the DWP. As well as adding time-consuming additional steps to the claims process, this raises questions about the DWP’s data ethics. Claimants without access to computers or the internet also must meet with a help to claim advisor in person. These services are already inundated. As a result, it takes self-funded third-party resources four times longer to help people with universal credit issues compared to other benefits.

Conversely, the Scottish government recently overhauled its digital strategy to encompass a consultative and people-centric model of delivery. High-level architecture and solution design support the agency, Social Security Scotland. Within this framework, 11 services have been co-created with users and transitioned. These are public services designed and delivered by people rather than for people. Scotland is putting the citizen at the heart of all its planning. A people-centric pledge to design, adapt and challenge the technology we introduce ensures we meet people’s needs, while treating them with dignity, fairness and respect. However, there remains a high level of interdependency between what is being devolved to Scotland and what remains a UK government responsibility.

A recent EU directive\(^1\) requires public bodies to ensure their websites and apps are accessible to persons with disabilities. This only applies to websites and apps and they can still fall short, as revealed by Socitm’s BetterConnected+
assessment service. The directive does not extend to cover access to services using emerging technologies nor traditional face-to-face interaction. More than ever, services are struggling. People are left disenfranchised. This creates a drain upon charitable organisation resources to plug any shortfall.

Looking to the future, there is no shortage of predictions from technologists, IT vendors and the many consultancies. However, these are often over-optimistic about the pace of technology change or fail to understand how those technologies can and should impact public services. Socitm is working with ALGIM (Association of local government information management), and its LOLA (Linked Organisation of Local Authority ICT Societies) and MCE (Major cities of Europe) partner organisations across the world to produce guidance for local public service IT/digital leaders about which technologies are most likely to become mainstream in the practical application to public services design and transformation. Socitm is releasing a report focusing on the technology trends which will impact directly on the services designed and provided by its membership organisations over the next 12 months. This report is also relevant to local government globally and will be distributed by our international partners accordingly.

This is about ‘digital’, not just ‘IT’ trends: the cultural and business impact of changing working styles and cultures will be as significant as the technology that enables them. Digital operating models will change our public services and the role of IT. This will include the impact of artificial intelligence, augmented reality, predictive analytics, machine learning and business intelligence on topics such as democracy, ethics and accessibility for all. Citizen-centred, agile design will need to be at the heart of these developments.

Public sector organisations in the 2020s can set a lead in delivering ‘IT for public good’, and what this might
mean in terms of regulation, standards, policies, digital strategies. Top priorities here will be digital inclusion and diversity, recognising different needs as well as equipping citizens to be digitally aware and engaging them both in co-designing and in delivering public services.

IT is changing how we work and how citizens engage with the public services they depend upon. It is also changing the role of local public services away from a preoccupation with services to a focus on societal, environmental and economic wellbeing and the civic infrastructure to underpin them. This will have differential impacts on society and the ability of public services to be accessible to all.

Key to all of this will be consideration of ethics and discrimination. This is an area of growing concern and opportunity. Data offers major value to improved services but also growing risks that need to be managed, especially for local public services such as local government and health.

Finally, the need to ensure a digitally skilled population and recognising the barriers facing many clients should have greater priority. This means a need for learning programmes for citizens in areas such as technology, social media awareness, and data risks. Community digital skills programmes can help with building access for all to government and local employment services.
Public services are under increasing strain at a time when trust in the institutions that run them is falling. Empowering communities to design and commission their own services will not only make for more engaged citizens but will deliver earlier, more effective responses to society’s key challenges.

Enormous challenges lie ahead for public services as they are traditionally organised. In the next few decades, the demands placed upon them will both grow and become more complex. Technological advances will offer new opportunities and new obstacles, both highly disruptive to existing approaches. An increasingly ‘top-heavy’, ageing demographic will deepen the trend of large-scale public service dependency while also undermining the economic growth required to pay for it. Climate change, for so long an abstract ‘worry about it later’ issue – a problem for ‘other’ people, somewhere far from here – is likely to really start hurting economies such as the UK’s over the same period. All the while, regional inequalities – in services, economic productivity, educational outcomes – seem more likely to widen than contract.
The UK, meanwhile, is still the most centralised country in the developed world, four years into the debate triggered by the Leave campaign’s message of ‘take back control’.¹ The centre’s reaction cannot simply be to call for more devolution of the current sort. The classic model of devolution has done little to address the regional inequalities that feed into huge geographic disparities in the performance of public services, in job markets and educational outcomes. Devolved institutions have had a hard time establishing their legitimacy in terms of democratic mandate and scale of popular support and are often less representative and less diverse than national equivalents.² And of course, very little real power has so far trickled down to the level of communities.

As trust in public institutions falls, public services have arrived at a tipping point where increasing demand outpaces the efficiencies and exclusions that they have already been forced to find, following years of budget cuts. This puts significant pressure on our existing transactional model, where services are expected to be provided top-down in exchange for taxes, and eyes are rolled when the provider inevitably falls short, be it some tier of state administration or a private company. A new approach is needed.

We need to pivot to a model where communities are given the space and the incentives to become more participatory in the management and design of their own assets and services. This would by definition lead to services that are more carefully tuned to the specific needs of each community and would be far more likely to produce early and integrated interventions that make a lasting difference to people’s lives.


Communities in the driving seat

If you want to see how the UK’s public services could look after 10 or 15 years of fostering a communities-first approach, try starting with the case of Barrowcliff in Scarborough. This is a community with a historic experience of low public and charitable investment and relatively high rates of crime and violent crime. A few years ago, the National Lottery-funded Big Local scheme, which has redirected millions of pounds into resident-led, long-term projects around the country, handed Barrowcliff £1m to spend as the community sees fit. The resident-led projects aim to improve public health, strengthen community ties, create new spaces and outlets for families and young people, set up drop-in surgeries for people with disabilities, make small loans to local businesses, and establish a multi-purpose coaching, advice and support unit for families and working-age people.

The money given to Barrowcliff by Big Local is genuinely under community control. The steering group is dominated by local residents, rather than advisors and experts from outside (although these people contribute too). This money belongs to them. Some of it can be invested in order to create a sustainable, long-term fund for future projects beyond the lifetime of the formal Big Local work. And the services and facilities that are bought with it are directly responding to community needs and gaps in provision.

The centrepiece of the Barrowcliff project, a new park and play facility replacing unused land in the middle of the community, was up and running within a year of the publication of the first Barrowcliff Big Local plan, and is now maintained through a combination of self-policing and council support.³

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³ Big Local, (2019), The Halfway Point.
The Big Local model awards additional funds, of course – a pool of extra, community-led investment over and above the public spending already managed by local and national administration. But it demonstrates that communities – with good advice and strong governance in place – can manage budgets, come up with ideas, and commission what they need when they need it.

There is no reason why this principle should not extend to funding and resources currently controlled directly by local or national government. Locality’s Communities in Charge campaign is calling for the successor funds to the EU’s regional investment pots to be divided between communities and put under their direct control – and this could be just the start.

The Barrowcliff experience is a telling one and it mirrors similar stories from ambitious community empowerment schemes all over the England. The key finding is that communities are not only best-placed to understand the nature and scale of their own needs, but that the mobilisation and inclusion of communities in the process of public service design, commissioning, and provision has the potential to create the conditions for earlier and more holistic responses to the kinds of problems that lead to enormous costs for family, public health, and social care services.

The radical potential of more preventative and joined-up approaches in these kinds of services is increasingly well-established by experimental evidence. Instead of reacting to the collapse of a family unit after it has already occurred or financing the management of chronic diseases, early intervention and a community-wide shift of priorities could help to ensure that such issues never fully develop. This is ultimately more humane than the fire-fighting and bean-counting that are so often the result of top-down, bureaucratic approaches. The community approach can facilitate human flourishing and, as a happy side-effect, save money over the long term, freeing up resources and
specialists to tackle the remaining areas of chronic and severe need.

Experiments conducted by Hilary Cottam’s Participle project however reveal a strong tendency for existing, paternalistic service structures to act as an obstacle to the wider uptake of community-based, connected, and early interventions. Her experiments include connecting young people with local job experiences and building their first professional networks, and simplifying medical and care provision by gathering specialists to discuss the best interests of patients.4 They are fascinating demonstrations of the value of these approaches but they also show how our existing systems are (understandably) preoccupied with years of layered and rigid regulatory and budgetary limitations. One potential upside of the moment of experimental potential created by Brexit is that some existing requirements, as important as they are, could be allowed to take a back seat to the facilitation of people’s wellbeing.

**Winning the underlying argument**

Structural civil service reform and regional investment are both now firmly on the new UK government’s agenda. More money is likely to flow back into many parts of the system over the next few years as the Johnson administration looks for ways to consolidate Conservative gains in former Labour ‘red wall’ seats, many of which are impoverished towns in England’s north.

This represents a moment of both opportunity and danger for advocates of localism. Many local authorities have reached for community empowerment as a way of mitigating the effects – and even putting a positive spin on – budget cuts for public services. If the challenges

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of austerity are now set to decline, what will become of efforts to mobilise communities, facilitate co-production, and introduce neighbourhood-scale democracy and commissioning of services? Such efforts are still in their infancy. If the taps really are turned back on, will the willingness to experiment with community power be washed away in favour of a structural bias that has always favoured centralism?

The answer to this question will have a decisive bearing on the nature of the state in 10 or 15 years’ time, not just in the UK but throughout Europe, and it is where a communities-first paradigm-shift in public services is most likely to founder. The nature of existing institutions and the depth of our commitment to centralism and transactional models of public services means that it is impossible to advance a meaningful neighbourhood empowerment agenda – despite the benefits – without real political commitment in Westminster and Whitehall.

There is a fundamental argument – about what democratic legitimacy looks like, whether and how to involve communities in decisions, and what our basic assumptions ought to be about the scale and design of public services – that needs to be won.

The work of Nobel Prize-winning political economist Elinor Ostrom on common ownership and self-governance provides a rich intellectual framework for the communities-first argument. Ostrom’s empirically-founded insights are already starting to gain some traction in the national policy debate. A recent paper from the National Institute of Economic and Social Research places her work – in particular, the core institutional design principles that she extrapolated from her observations of self-governance exercises – into the context of the post-Brexit devolution debate in the UK.5 That local authorities have such little

5 Angus Armstrong, Effective Devolution, (2019), NIESR.
control over revenue-raising, for example, damages the incentive structure that Ostrom argues is required for successful institutional governance.

The analysis here is right, but the basic unit of politics should not be local councils (or devolved regions, or the nation-state), but neighbourhoods. Large populations do not feature very regularly in Ostrom’s empirical work, and this is not a coincidence. Neighbourhoods are small enough and localised enough to enjoy a set of common interests – imposed by the immediate context – even if they are internally very demographically and culturally diverse. They stand a chance of approximating political consensus, or at least arriving at a final decision whose reasoning and underlying trade-offs is clear to all. At larger scales, the coordination problems that must be resolved in order to get anything done become increasingly insurmountable.

Giving local authorities control over their revenue-raising should only be a waypoint on the path to further distributing such control down to the level of communities. The Ostrom perspective is that the basic objective – that those who receive a public service should have some say about its design and delivery – is best served by the bottom-up emergence of a messy, layered, and highly experimental set of institutional responses to the genuinely-communicated needs of our communities.

There will always be some functions best handled by the state, and others where market forces ought to be left to do their work. But Ostrom’s research makes it clear that we can add community self-governance and disrupt this well-worn binary. The key point is that the best balance – the right assignment of different assets and services between market, state and community – is not settled. It’s a moving target. The optimal configuration is hard to find and liable to change over time. So Ostromian self-governance comes hand-in-hand with the concepts of experimentation and polycentricity (with multiple, overlapping systems
operating at different scales). Many things should be tried, at a scale where such efforts are clearly legitimated and less likely to risk downsides for wider society.

Our public services frameworks could stand to learn an enormous amount from the real-world examples of self-governance that Ostrom catalogued. She demonstrated that community-ownership models can produce more efficient and sustainable outcomes than state monopolies in the management of complex irrigation systems in Nepal. She identified villages in Japan that have sustainably managed forested commons for hundreds of years without any external regulation or privatisation.6

The mere existence of such communities contradicts the classic economic assumption that self-interested individuals will ruin their shared resources unless privatisation or a coercive state monopoly steps in. Critics of the community power agenda could very well say the same thing – and make similar errors – about the notion of community-controlled public services.

Another key lesson from Elinor Ostrom is about the nature of democracy itself. We are used to hearing about the erosion of trust in politicians and institutions. This speaks to a widening divide between the people most dependent upon public services and the actors who design and manage them. While it is certainly the case that many people would be satisfied by a system where they had little say as long as its outcomes were predictably desirable, the reality is that many of the pathologies in our public services framework stem from the dislocation between citizens and decisions.

For Ostrom, such a dislocated system is not truly democratic, since “citizens are viewed as clients who receive what others provide for them. Their fate is totally in the

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6 Elinor Ostrom, Governing the Commons, (1990), Cambridge University Press.
hands of others, rather than being something over which they have some control”. This leaves an enormous gap in the ability of services to actually satisfy the needs of communities: “Unless public officials … take into account the aspirations and preferences of the people they serve, they are apt to encounter reticent citizens who consider themselves victims of exploitation rather than active participants in collaborative efforts to realise joint outcomes.”

**Community power in practice**

This agenda is marked by a rejection of the general need for top-down solutions. But legislation will be necessary to create the conditions for more meaningful subsidiarity. This should explicitly strengthen local authorities and only attach conditions that ensure further devolution of power to communities.

Meanwhile, fostering community mobilisation without being paternalistic will be a real challenge. To address this, the growth of community-level commissioning must be partnered with the development of powerful learning and information-sharing networks. One instinctive objection to the entire community-first agenda is the risk that communities could deepen their own problems, try an experiment that fails, or establish a home-grown governance regime that leads to serious failures in important public services. Of course, national-scale service provision can be subject to failures in a more far-reaching way already – but building up resilience and the ability to learn and respond quickly while sharing good practice will enable big improvements.

Taking different approaches in different places is not itself undesirable. Trade-offs in decisions – whoever makes them – are often inevitable. And if they are to be made,

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then it is those who use services who should be making them. Different communities may end up with different priorities and make different choices. This doesn’t necessarily reflect any kind of failure, though outcomes will vary, as they always have, from place to place. Rather, it will demonstrate that centralist, one-size-fits-all public services were never successful in meeting the needs and desires of all people in all places in the first place.
Marketisation of public services failed to bring the cost savings and efficiency improvements its advocates promised. Now, as the tide of outsourcing ebbs, there is an opportunity to think again about our public services and what they mean to citizens.

Public services have been subjected to trial by marketisation. Over the past four decades free marketeers conducted a giant experiment, notably in the UK and the Scandinavian countries as well as in the US, Australia and New Zealand, inserting profit-seeking into the DNA of the state. There was nothing scientific about it. Contracting was often deliberately unmonitored. Auditors were thwarted in their attempts to keep the tally. Right-of-centre ministers, previously keen on eliminating ‘waste’ and cutting costs, turned away as the warning signs multiplied, showing the inefficiency of enforced marketisation.

Despite that, the evidence mounted and is now incontrovertible. Marketisation failed to bring the savings and improvements that were promised. In the UK, the City of London has passed judgement on dogmatic outsourcing, with financiers collapsing Carillion and threatening Capita, Amey and other companies with
bankruptcy. Marketisation, even on the most generous contractual terms, does not guarantee profit. Competition does not cut costs.

In Out of Contract\(^1\) John Tizard and I drew up a balance sheet. Outsourcing is an archipelago of semi-submerged islands – there are many contracts about which some data exists but the full extent of costs and benefits remain invisible. For example: a local authority lets a refuse collection contract to a multinational, at a bid price lower than inhouse staff can match. It cuts staff numbers or hours. Residual staff income goes down, along with wellbeing and social solidarity. Social costs mount – in social security payments, in future social policy problems (if family income is reduced, adversely affecting the chances of children). True accounting would factor all this in, over and above the starting calculation the local authority made.

Refuse, recycling and other municipal services are vital and how they are carried out matters. But the introduction of profit-seeking into criminal justice, health and social welfare opened up even more profound questions about citizenship, democracy and accountability. Where a private company is given powers to confiscate and arrest – for example when bailiffs are outsourced – an essential element of statehood is jeopardised. A company in pursuit of profit acquires a right to arrest, tax and levy fines. The state no longer has a monopoly on using force on citizens, which Max Weber defined as its essence. Outsourcing probation transferred critical decisions about individuals’ freedom.

If the opposite of constraint is care, outsourcing proved largely unable to provide social and ‘relational’ services without harm. Across social work, care for the elderly and people with disabilities, contracting squeezes time

\(^1\) David Walker and John Tizard, Out of Contract, (2018), Smith Institute.
and quality. Nor does marketisation ensure continuity of supply: firms evacuate hospitals, care homes, schools and municipal waste depots when profitability criteria are not met. The promised market for services turned out to be thickly concentrated – look at the dominance in the UK of Capita, Serco and Atos – and even monopolistic. Firms adopted ‘loss leader’ tactics: bid low then up the price once they are in place and control the flow of data about costs and benefits.

Once lost, knowledge cannot always be recovered. A local authority outsources repairs and so potentially loses information about the state of its property and ceases to be able to make informed discounting judgements about its need to invest. To abandon an entire service or system, such as medical testing of benefit claimants, left (for example) the Department for Work and Pensions blind to both the quantity and quality of what its contractors were doing.

Contracting by its very nature makes coordination of services more difficult. Contractors, like management consultants, have a financial incentive to sequester knowledge, build barriers and refuse cooperation – increasing the likelihood citizens will be treated as objects and units rather than people so they in turn feel alienated and dissatisfied with public provision – and less willing to pay taxes to support it.

Even advocates of outsourcing accepted private firms were acquiring powers that had to be regulated. So alongside contracting grew up an apparatus of checking and supervision. But its cost rarely figures in the contract calculus. Its effectiveness is another thing. A company given a public contract to administer benefits or collect revenue acquires detailed knowledge of households, individuals and places. Even if data use were strictly invigilated (which could be costly) such knowledge can be monetised, at the expense of privacy.
Marketisation was part of a wider project. It was one element in the ‘neoliberal’ assault on collective provision, on planning, on the size and capacity of the social state and on public spending and taxation. One strand in neoliberal politics sought to diminish if not destroy the public space by means of privatisation and prolonged austerity. Another, ‘the new public management’, purported to strengthen public services. It decreed that public managers become business-like and entrepreneurial and use market mechanisms: by means of competition, the price of services would be driven down yet quality could be maintained and even driven up.

This attack on the social state scored major successes, fragmenting the public space, corroding the vocation of public service and harming collaboration between the state’s arms. In some European countries, strong traditions of public law (Germany) or national statehood (France) permitted public services to take on different forms without jeopardising a core civic or public sector identity. In the UK, certainly in England, where the idea of the state has long been weak, public services have been pushed into contention with one another. Inter-departmental rivalry subverts quality and effectiveness. The very identity of the welfare state has been compromised.

The US writer Suzanne Mettler coined the phrase ‘submerged state’ to describe how well-meaning leaders, under intense fiscal and political pressure, deliberately obscured the role of government, leaving citizens less aware of costs and benefits and unable to form reasoned opinions. In England, academy and ‘free’ schools were designed to compete for resources and students and were decoupled from any wider framework of collective and planned educational provision. In health, providers of care were

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2 Suzanne Mettler The Submerged State, (2011), University of Chicago Press.
‘commissioned’ by separate, unaccountable bodies, which conducted ‘market tests’ pitting them against private companies.

**The governmental opportunity**

But, for all the spread of the contract culture, it has not undermined the ethos of public service. Many, young people among them, are still motivated to find their vocation in caring for, teaching and helping their fellow citizens and, yes, in regulating and taxing them too. For the left, state service goes on providing recruits and inspiration; renewal of the public realm could be the basis for its political recovery.

And now the neoliberal tide is ebbing. Neoliberals have lost their way, bewildered by the financial crash and the rise of authoritarian capitalism in China and Russia and populist parties in Europe. Ideological self-confidence has drained away from the privatisers and outsourcers. The rise of identity politics brings further challenges to those who want to shrink the state and break up the public space. The urgent policy challenges of the 2020s demand concerted government action, enhanced capacity and less fragmentation – from climate change to productivity improvement to reducing regional imbalances. Here are opportunities for the left – but also, as UK experience shows, for the shape-shifting right.

Of course, private motivation and profit remain embedded across the public realm. In the UK as across the rest of Europe services are still being outsourced, almost as a reflex. Preoccupied with Brexit, the UK has in recent years rolled over large numbers of contracts to private firms without competitive tender; they include services such as accommodation for asylum seekers and people being deported that touch on human rights and high questions of principle. Such contracting demands the most intense scrutiny.
The left can claim to have helped expose the failings of marketisation. It could raise the cry of ‘value for money’, in alliance with auditors and inspectors. Outsourcing has few friends. Even members of the British royal family now inveigh against ‘contract culture’.3

Manifest failures of privatisation models – such as UK railways – present opportunities to reconnect (making ‘connectivity’ the goal of transport policy).

‘In-housing’

But identifying those failures is only a starting point. The collapse of outsourcing and the new public management do not automatically answer old questions: how to balance the interests of producers and citizens/consumers; how to challenge incumbent suppliers while giving them the security on which a public service culture depends; how to secure efficiency, economy and effectiveness when the public sector will always be hard-up and taxpayers reluctant.

Outsourcing never came to terms with the contradiction that successful contracting of complex communal services demands high capacity on the part the state, going far beyond legal and accountancy expertise. But inhouse provision also demands good management (political and administrative) which in turn depend on the vitality of the idea of public service. That idea has been dented and damaged. With right-wing, nationalist governments in power in several European countries, wielding the power of the state against political opponents, migrants and minorities and upsetting traditional checks and balances on executive power, the assertion that public service is specifically associated with the progressive cause becomes difficult.

In some countries, France and Germany among them, the tapestry of state and market provided public services is complex but relatively uncontroversial. In Poland and Spain most local authorities outsource waste collection. In France, where most household waste is collected by the public sector, water is a source of profitmaking. This picture counsels against dogmatism on the public-private balance (which also has to accommodate not-for-profit and charitable activity). The state is not and should probably never be a universal self-provider; it buys goods and services from the market – computers, rolling stock, armaments, buildings, banking. The list extends into computer software and legal services.

So, a large measure of pragmatism is needed, especially if local authorities are to be allowed autonomy from the central state and empowered to respond to local circumstances. Yet a rule of thumb could be that public provision should be the default option across a wide swathe of the public space, especially social, welfare and human services and the state’s coercive functions. Outsourced prisons in the UK failed a test of principle – incarceration should be a state monopoly – but they also failed two other practical tests. One is financial: they are no cheaper, when costs are fairly counted. The other is their permanent dependence on public provision. A riot in a privately-run jail has to be contained by bringing in the police and public sector prison staff.
Unity and visibility

Some on the left may be tempted ‘back to the future’, seeing the end of outsourcing as mission accomplished. But even if contracting is pushed back, big questions remain open, such as the balance between producer and consumer interest, accountability and value for money. In the UK, Brexit leaves in its wake queries about the public’s appetite for engagement and citizens’ capacity to understand and participate in the delivery of necessarily complex social services. In any case, how far are ‘co-production’ and ‘personalisation’ feasible in the pressing contexts of climate emergency and fiscal squeeze? Enthusiasm on the left for ‘community’ initiatives may need to be tempered if they further differentiate and divide populations and threaten common standards.

Here are some pointers. Local and regional authorities and departments need to countermand the fragmentation during the neoliberal era and attempt to knit together a sense of shared public (administrative) space. Too often councils, health trusts, schools – even government departments – retreat into a parochial or self-directed identity, confusing the public and jeopardising common standards and equalities. Citizens who don’t understand the state are not going to be willing to pay for it.

This requires public bodies to review their boundaries as well as their interactions with other agencies. Do they confuse citizens; do they reduce public assent to taxation? A review will inevitably query the extent and operation of outsourcing. In London, Imperial College Healthcare has brought its cleaning and ancillary services back in house aligning staff pay and conditions in those areas with colleagues’ in other parts of the NHS – and potentially

strengthening a common public sector identity. The NHS in England offers an example of how an overarching public ‘brand’ can co-exist with local organisations (health trusts) with their own identity. It is not easy. The very strength of the NHS identity may inhibit collaboration with other parts of the state, including local government, leading the public to regard it as somehow separate (when good health of course depends on the joining together or multiple public agencies).

A review of outsourcing is not a panacea; it would have to accept that supply chains into public bodies will remain complex. For example, the NHS will continue to rely on software provided by private companies. Ideally programming for electronic prescribing of medicines and online appointments could be developed by the NHS itself – if only to equip managers with a means of comparing the costs and benefits of what the market offers. But that capacity does not now exist and would take time to develop. What is needed in the interim is strategic oversight over a dysfunctional IT supply market.

But in-housing functions, in the way Imperial Healthcare has, could help both staff and citizens re-identify the common, state domain. Moves are afoot across the NHS in England to join together commissioning and provision (split on the dictates of the new public management). Some have wrongly interpreted this as creating more opportunities for contracting. It could not only streamline patients’ ‘pathways’ but make the NHS much more of a partner to the police, regional and local authorities and the welfare systems.

UK central government now uses a single internet platform, which downplays departmental difference and could, in principle, encourage users to see government as a unity. Opportunities abound to reduce confusing internal differentiation. Functions such as licensing, registration, payments are handled separately by central and local
government, schools and health services and could be standardised and shared. Trade unions could help here – Unison represents multiple grades of staff across local and central government and the NHS. Reshaping public services entails re-creating – or creating for the first time – a strong sense of shared purpose despite functional and geographical variation.

Another imperative is visibility. During austerity public bodies, notably local authorities, often concealed the effects of reduced grants, confusing the public about who was responsible for closures and cuts in services. A new emphasis on mutual dependence is needed. The UK parliamentary constituency of Leigh was one of the so-called ‘red wall’ seats lost by Labour in the December 2019 general election amid complaints about lack of services and being ‘left behind’. Yet Leigh is in a local authority, Wigan, which boasted of how it had handled austerity, made savings, and beneficially altered patterns of service provision. Something had not been joined up. Local and central government lock horns, reinforcing the perception of a (public sector) house divided and antagonistic. Too often, public bodies fail to make clear to citizens the basics of finance, perhaps because they are fearful the public will not accept the inherently redistributive nature of public services.

The original case for outsourcing emphasised accountability: letting a contract was, in theory, when costs and obligations became transparent. In fact that was rarely true. But inhouse provision can also obfuscate. Because public services are inherently monopolistic – choice is rightly minimised for the sake of equality and common good – there needs to be audit and inspection. The reconstruction of the public sphere should embrace these functions as inherent and welcome. A progressive version of inspection would not be as a sort of disciplinary tool – as deployed in the past – but simultaneously an instrument of public
assurance and a guarantee of public service. Inspectors would work collaboratively with staff and managers and, unlike in the past, bring the adequacy of resources to the front of their assessments. Within the public service a balance needs to be struck between necessary professional autonomy – allowing teachers, engineers, clinicians a full measure of freedom – and accountability. In future, the state has to know itself better, unafraid to collect data on outcomes and effectiveness, however unwelcome the results can sometimes be.

**Conclusion**

Historically, the left – especially in the UK – has done little thinking about the state and its functioning. It left itself open to the neoliberal challenge, which purported to put the interests of citizens before those of ‘producers’ and the trade unions representing them. The outsourcing tide is now ebbing; the precepts of the new public management have been tested and found deficient in practice as well as principle. An opportunity is opening to reconceptualise public services, emphasising their unity – and their essential role in sustaining communities and giving shape and content to identity. The populist right sees the opportunity, too, with its emphases on policing and social ordering. But the left has the advantage, through its affinity with the ethos many public servants still celebrate, as they pursue a vocation to serve the wider interests of citizens.
Traditional ways of dividing public and private services do not necessarily take account of what most matters to the people who use them. Their voices should be heard when decisions about what makes high-quality, efficient services are taken.

Public services are at the core of many political debates in Europe. Citizens demand access to good quality education, health care, transportation and more. The availability and quality of these services differs significantly throughout Europe. In order to make sense of this variation we ought to first ask what are the core elements of a service to constitute a public service? Can they be considered as one coherent category of services in terms of their aims and, most importantly, can they be evaluated according to uniform expectations and standards? Are they still public services if they are provided by private organisations, but regulated by the state? Do ‘public’ services have to be delivered at a specific level of quality to be considered truly public services? What are the key issues to address over the next decade to ensure the quality of services across Europe?
In this chapter we argue that we ought to question the usefulness of the value-laden discourses that generate a strong dichotomy between public and private, state and non-state services. Not all public services are, by definition, state services and, consequently, not all non-state services are private or for-profit. We should instead talk about services in the public domain that could be delivered by a variety of actors and organisations, both state and non-state, while operating within a regulatory framework run by the state. In order to find new progressive ways of measuring the quality of services ‘in the public domain’, we ought to introduce a citizen-centred approach where lived experiences of citizen-users of the services – collected via surveys, focus groups, citizen assemblies – are used as a way to supplement quantitative and efficiency measures.

The dividing line between the ‘public’ and the ‘private’ is not fixed, but usually contested and constantly renegotiated. During the so-called golden age of welfare state capitalism, in the decades after 1945, direct public provision of social policy and services was perceived as a core element for the realisation of ‘social citizenship’. Although the family, voluntary organisations and the market had been identified in addition to the state as constituent parts of the mixed economy of welfare very early on, the attention within public debates and academic analyses, especially in the UK, was on the nation state as a financier and provider of public services.

Over recent decades, debates in many European countries and international organisations have shifted, calling for a greater emphasis on private arrangements to deliver the necessary services for citizens. The political motivations behind this have varied from ideologically driven financialisation to genuine concerns about the continued sustainability of the current structures within a framework of diminishing resources and tax base. However, it is notable that even where the boundaries between public
Deconstructing public services in Europe

and private have been blurred for a rather long time, in the political and media discourses this is not necessarily acknowledged. In UK discourses, the NHS is considered as a public service even though companies like G4S, Serco and the now defunct Carillion have been involved in the sector for many years. Here there is considerable variation across European welfare states. The blurring of the lines between public and private provision of services is still easier in the liberal UK welfare state than in social democratic Scandinavian models.

Much of the research on the shifting boundaries between ‘public’ and ‘private’ social services has centred around normative or functional perspectives and has stayed at a rather theoretical level. Although works such as Decline of the Public by David Marquand or the Silent Surrender of Public Responsibility by Neil Gilbert suggest that nation states have undergone a profound reconfiguration of the public sphere and public responsibility,\(^1\) differences in public service provision continue to exist. Some countries have witnessed extreme challenges in providing services in times of austerity. Nevertheless, social regulation is crucial to most social policy areas and public services. For instance, any healthcare system in an advanced democracy could not exist without a set of (publicly) regulated standards, irrespective of whether it is provided or financed publicly. Assuming a state ends public provision, mandates private insurance and highly regulates contributions as well as benefits, similar to those found in statutory social insurance schemes, would such a change constitute a privatisation? One certainly would have to acknowledge that such a system would differ substantially from an

‘outright’ privatisation, where the system only relies on a general public regulatory framework.

In this example the general assumptions driving this fundamental tension between public and private are partly false. In light of the institutional complexities and historical legacies of different European welfare models it is flawed and simplistic to say that the old system was built on purely publicly provided services, which yielded predominantly positive outcomes; and that the introduction of private provision is necessarily new and inherently problematic.

Direct state provision might be complemented or substituted by publicly financed and/or regulated ‘private’ service provision, leading to a blurring of the boundaries between ‘public’ and ‘private’. Political scientist Harold Wilensky put it eloquently in regard to arrangements found in a number of continental European welfare states: “Several countries with strong Catholic party power ... lavishly subsidise “private” non-profit associations as major suppliers of personal social services ... Unless we wish to argue that the nearly total government financing of these religious and other non-profits is not public provision, we must be careful in the claim that Catholic power blocks public services in favour of cash transfers.”

This example makes obvious that public services do not necessarily have to be identical with state services. Furthermore, non-state provision of services does not automatically equal to for-profit.

Independently of whether a service is either provided or financed publicly, a public service without a set of (publicly) regulated standards is largely unthinkable in any advanced democracy. Despite social regulation playing an

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important role in many aspects of social policy this dimension has been largely neglected. Social regulation can be differentiated along two dimensions: extensity and intensity. The concept of extensity in regards to policy regulation is concerned with the scope of regulatory measures and the concept of intensity relates to the ‘depth of interference with private provision by regulatory measures’.

Instead of using the concept of public services, we suggest that we should be using the concept of services provided in a ‘public domain’, a concept suggested by Marquand. Services provided in a public domain are not based on profit motives, but governed primarily by democratic, legal, and/or professional peer accountability. Rather than operating on an input-oriented focus (how the services are produced) this way of thinking would put more emphasis on an output-oriented outlook (what is being produced) and also move from an emphasis from subject to the object of public policy (who the service is being produced for). Thus, while services within a public domain do not have to be provided by the state, they will still be governed by complex corporatist arrangements. Noel Whiteside has stressed that in the UK such governance structures are largely absent, leading to a more deep-rooted division between private and public.

As the NHS is at the forefront of the debate of public services in the UK,\(^3\) we want to provide some more detail about the provision of health services in Europe. In the UK, the public provision of healthcare seems to be sacred in political discourse, whilst at the same time waiting times have increased. Yet, in other European countries, provision of healthcare is achieved largely through private

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\(^3\) Within the United Kingdom there are four health systems that have faced increasing policy divergence since devolution. NHS England, NHS Scotland, NHS Wales and Health and Social Care in Northern Ireland form the National Health Service (NHS).
providers, within a strong public regulatory framework as well as public financing, achieving shorter waiting times and better healthcare outcomes. In 2017, the UK spent about 9.6 per cent of its GDP on healthcare, exactly the EU average; with the exception of Finland and Ireland, all other north-west European countries spent more on healthcare. Overall, higher healthcare expenditure can lead to superior public services. For instance, Austria and Germany had significantly lower levels of unmet needs for financial, geographic or waiting time reasons, despite relying on statutory health insurance and private provision. With 15 per cent of total healthcare spending, out of pocket payments were higher in the UK, than in Germany (12 per cent) or France (10 per cent), both countries that at least partially rely on private provision. Waiting times for a hip replacement were 104 days in the UK and thereby more than twice as long as in the Netherlands, a country, in which most hospitals are privately run, non-profit foundations, whereas most healthcare insurers are non-profit companies.4

But how do we systematically assess health services? Levels of spending or the usual effectiveness measures might not correspond with experiences of health service users. For instance, according to the Euro Health Consumer Index 2018, a ranking compiled by a Swedish health policy think tank, which is deemed to be very reliable at combining outcomes and subjective experiences, the publicly-provided UK health service ranked only 16th amongst the 35 European countries included in the study.5 Instead of simply evaluating outcomes in terms of effectiveness and efficiency, we should move towards an

approach that combines outcome indicators with the experiences of the citizens or consumers of the services.

In certain areas of public policy, evaluating outcomes against quantitative benchmarks of effectiveness and efficiency can be ethically problematic. While the efficiency of routine, normally not life-threatening hip replacement or cataract operations can be measured relatively unproblematically, assessing the efficiency of, say, palliative care, could be unethical. In addition to user focus groups, citizens’ assemblies and other more traditional ways of collecting user feedback, digital technology could be used as a way of collecting data. A hospital app could collect feedback for both patients and their families on various aspects of their experience and this feedback, combined with quantitative data on real health outcomes, could be used together as a way of developing a progressive tool for measuring the real quality of public services.

Questions around migration and freedom of movement relate to the future of services across Europe in at least two important ways. First of all, demographic changes are challenging the provision of social service in a number of advanced democracies in Europe. Most of these discussions are focused on whether countries can afford the same provision of services in fast ageing societies with total fertility rates below replacement in the future. Among others, costs are increased by the scientific advancements in available medical treatments. Societies need to address the thorny ethical question of whether it is possible and desirable to provide every possible medical treatment to everyone, or whether rationing will be a key element, as currently implemented in the English NHS by the National Institute for Health and Care Excellence. Additional pressures on services are often claimed to be related to immigration.

Second, there is an important question of equality in terms of both the availability and quality of services across the EU. In the short and medium term, a more immediate
challenge is the urgent shortage of healthcare professionals in many member states of the EU as well as the UK – these shortages are often mitigated by the recruitment of immigrants. The principle of freedom of movement as well as the mutual recognition of degrees within the EU has made it easier for some countries to fill their existing gaps by recruiting healthcare workers from other member states, especially from central, eastern and southern Europe. However, this policy of beggar-thy-neighbour by the richer EU member states has created problems in the provision of services in poorer member states and a number of emerging economies outside of Europe. When discussing the need for qualified migrant workers in order to provide excellent public services, the public services, especially the healthcare services, in the countries of origin are seldom at the centre of the political debate. As Sabina Stan and Roland Erne, in their work on cross-border care, show, central and eastern European states are negatively affected by healthcare cost-shifting as a result of freedom of movement within Europe. So, measures intended to improve public social services in one country can lead to a serious deterioration of public services in another country. Within the EU we have to find ways to ensure that improvements in one country do not directly contribute to a deterioration of services in another country.

‘United in diversity’ is the motto of the EU. However, do we want to have a diversity in the provision of services related to cancer treatment or other serious and life-threatening illnesses within the EU? Is it OK to retrench key services within the public domain as part of EU bailout agreements? Or, should we consider institutionalising an

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EU-wide minimum floor for the provision of key services within the public domain? Having learnt the lessons of previous policies associated with the European monetary union, and building on a minimum understanding of a European social union, minimum health and social care provisions need to be ensured as fundamental and unconditional rights of EU citizens. In the future, we also need to develop a better understanding of quality provision within the EU.

To sum up: a focus on both quantity and quality of services in the public domain is relevant and necessary both politically and economically. However, we should first change our thinking about the public/private, state/non-state and profit/not-for-profit dichotomies and, instead of public services talk about services in the public domain. To evaluate these public domain services progressive politicians across Europe ought to combine traditional quantitative measures with a citizen-centred approach to assess the quality of public services. We can no longer only limit discussions of public domain services within nation states. Only by considering various quality measures of service provision and by looking beyond borders at the effects of national and supra-national policies can we build a Europe of better public services.
The recently adopted European Pillar of Social Rights is a manifesto for the European social model, signed by all EU states, including the UK when it was still a member. It represents an ambitious – and necessary – step forward for European social policy, aimed at ensuring that all EU citizens benefit from social protection and good public services. While the EU’s social agenda will no longer directly influence social spending in the UK, it can still serve as inspiration.
the fight against social exclusion, and a high level of education, training and protection of human health”.

Despite the social objectives and principles in the treaties and a series of EU policies with an explicit social purpose – the so-called social acquis – the European Union has been harshly criticised because of its ‘social deficit’. Many have suggested that EU social policies have been displaced, absorbed or marginalised. The rulings of the European Court of Justice (most notably the so-called Laval quartet) and the post-financial crisis governance of the Economic and Monetary Union have brought social issues to the heart of the European public debate. As a result, there has been political conflict over EU social and employment policy and growing dissent over European integration. The lack of political will to pursue a fully-fledged social agenda, combined with the absence of a legal and institutional framework to mitigate the impact of the economic integration process on national welfare states, helped create the image of the EU as a ‘monster of austerity’ and favoured the raise of Eurosceptic parties.

The 2014 European elections represented a crucial moment in the history of the EU integration process. The Eurozone crisis had already deeply affected public approval of European institutions, often perceived as responsible for the social and economic downturn and for the progressive dismantling of national welfare states and public services. This was especially the case in those (mainly southern European) countries subjected to austerity measures. As a consequence of this public sentiment, far-right Eurosceptic parties made large gains, most notably in France, Denmark and in the United Kingdom. They won roughly a quarter of the European Parliament seats, sending a clear message to mainstream parties. In such a context, social democratic parties made it clear to the new president-elect of the European Commission, Jean-Claude Juncker, that their support for the Commission would be
conditional on an explicit commitment of the new presidency to an ambitious social programme.

Soon after his official appointment Juncker made it clear that the EU ‘social question’ was among his priorities. In his first speech to the European Parliament in 2014, he explicitly declared: “What I want is for Europe to have a social triple A rating: that is just as important as an economic and financial triple A rating.” To this end, one year later, Juncker launched a new initiative, the so-called European Pillar of Social Rights, as “a compass for the renewed convergence within the euro area that should complement the social acquis”. Initially presented in March 2016, the Social Pillar was the object of a one-year public consultation, involving EU institutions, national governments and parliaments, experts and civil society, and other partners such as trade unions and employers. In April 2017, the Commission presented its final recommendation on the Social Pillar and proposed the adoption of an inter-institutional proclamation, which was then formally signed by the presidents of the European Commission, Parliament and Council in November 2017 in Gothenburg during the summit for fair jobs and growth.

The Social Pillar consists of a list of 20 principles, divided into three chapters on equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. Its scope goes beyond labour market regulation to cover the shape of welfare states, including social protection (such as housing, unemployment benefit, minimum income, and healthcare) and social investment (such as education, training and life-long learning and employment programmes).

The new Social Pillar is not legally binding on its own but it consists rather of a political manifesto, to which all member states (including non-Euro area ones) have committed themselves. The Pillar as such is an inventory of the social rights that constitute the European social
model. For the Pillar’s principles to be legally enforceable, however, they first require dedicated measures or legislation to be adopted at the appropriate level. To this end, the Commission identified three main areas for the implementation of the Social Pillar: the regulatory, the coordinative and the redistributive. The regulatory area includes EU legislation, namely the totality of regulations and directives adopted covering social protection, employment, labour market, working conditions, employment relationships and labour law. The coordination area centres around the European Semester, where the Commission lays out spending priorities for member states and so is the main vehicle to steer member states’ social policies in the direction of EU recommendations. Finally, the redistributive area refers to social expenditure and programmes within the EU’s long-term budget, the Multiannual Financial Framework.

Now that the Juncker Commission is over, the time is ripe to look at what has been delivered in the past five years and assess whether the Social Pillar has managed to strip away the Commission’s ‘austerity mask’. In what follows, I will try to answer the following questions: What changes has the Pillar introduced? Has the EU ‘social deficit’ been, at least partially, reversed? And what are the challenges which remain for the new Commission? To answer these questions, it is worth looking at the main initiatives adopted in each of the policy areas where the Pillar was meant to be implemented.

The main thrust of the legislative provisions adopted between 2015 and 2019 focus on the regulation of labour markets. While new rights have been created, whose political and legal value should not be underestimated (see for example the new directives on work-life balance and transparent and predictable working conditions), this is not the place for a detailed examination of these changes. More relevant for European welfare states is the recommendation on access to social protection for workers and
the self-employed. Many people that are self-employed or in non-standard work arrangements lack sufficient access to social protection, such as unemployment benefits, accident insurance, maternity and paternity leave and more. The recommendation advises member states to extend the provision of adequate social protection to all workers and self-employed, which would cover important gaps.

If we now move to the second policy area where the Social Pillar was meant to be implemented – setting spending priorities for member states – three main innovations were adopted during the Juncker mandate. First, the drafting process of country-specific recommendations in the field of social and employment policy was entirely assigned to the Directorate-General for Employment, Social Affairs and Inclusion rather than the Directorate-General for Economic and Financial Affairs, so giving social considerations greater weight.

Second, the Commission took significant steps to involve social partners like trade unions and employers more fully in the European Semester decision-making process. In particular, the Commission introduced the consultation on the annual growth survey, as well as informal ‘stock-taking’ meeting with social partners.

Third, the Presidency explicitly supported the better use of socio-economic indicators within the semester cycle. In this respect, the most important innovation occurred in 2017, when the Commission proposed a new set of indicators that feed into the semester to monitor the implementation of the Social Pillar, the so-called social scoreboard.

Thanks to these innovations, the Commission significantly contributed to the ‘socialisation’ of the European Semester. Social and employment policy are no longer merely an adjustment variable of fiscal consolidation objectives. The social scoreboard gives particular attention to tackling inequality and poverty, the adequacy of
pension systems, equal and affordable access to healthcare and long-term care, the accessibility and quality of services and social inclusion of disadvantaged groups.

The increased visibility of social and employment performance in the semester process has had an impact on the content of the country-specific recommendations addressed to member states. In 2019 more than 6 in 10 of these recommendations centred on social and employment policy. Forty per cent of these social recommendations call for increases to the level of income-replacing benefits, improved quality and access to health services or extended employment protection. Fifty per cent are social investment recommendations, which mainly aim to prepare, support and equip individuals to increase their chances of participating in the labour market. By contrast, only 4 per cent of the so-called social recommendations focus on the fiscal sustainability of social policies (suggesting the retreat of the state and ‘retrenchment’ measures, such as social benefit restrictions, cost-containment strategies, or pension privatisation). This is in sharp contrast to the first semester cycle in 2011 when social protection-oriented recommendations made up only 3 per cent of the total, while ‘social retrenchment’ recommendations made up 50 per cent of the total.

Finally, moving on to the third implementation area of the Pillar – redistribution – the Commission launched a series of proposals for the EU budget 2021–2027, which are currently under negotiation with the parliament and the member states. There are three major innovations in the Commission’s budgetary proposal. First, a new EU fund, the European Social Fund Plus has been proposed with the explicit aim of creating a higher performing and resilient “Social Europe”. The new fund will merge five existing programmes, including the European Social Fund. Compared to the existing social fund, the money earmarked for promoting social inclusion and tackling
poverty will increase from 20 per cent to 25 per cent. A dedicated amount will also be earmarked for support for the most deprived and 10 per cent will go to tackle youth unemployment. The second innovation proposed by the Commission is a strengthened link between the European Social Fund Plus and the Semester, with the aim of creating a virtuous circle between the ESF+, the Social Pillar and the country-specific recommendations. Finally, a third important innovation to help implement the Social Pillar in the EU budget is the creation of a €4bn budget dedicated to Social Investment and Skills in the new programme InvestEU. All of these innovations represent a step forward, but negotiations are still ongoing, and the outcome is uncertain.

So what can we conclude from analysis of the social agenda of the Juncker’s Commission and especially from the implementation of the Social Pillar? The first appraisal is positive. The Social Pillar has helped re-activate, even if at a low speed, the engine of European integration in the social sphere. The initiatives adopted under the Juncker Commission have revitalised the EU social agenda, partially reversing the ‘social deficit’ trend that characterised the European Union over the past two decades. That said, these initiatives tackled only one of the dimensions of the EU social deficit, notably by revitalising the EU social acquis and relaunching the EU social agenda after a decade of policy inertia. By contrast, the Social Pillar only partially addressed the challenges created by EU integration for national social policy and especially the problems which stem from the new economic governance of the European monetary union.

Addressing this second dimension of the ‘EU social deficit’ would require tackling the structural asymmetry of European economic integration, namely the constitutional imbalance between ‘the market’ and ‘the social’ in the European Union. This leaves several challenges open
for the next Commission. In this respect, the calls to the Commission for a new directive on minimum wages, an EU child guarantee and a European unemployment reinsurance scheme could further strengthen the social dimension of the EU. To these proposals, two more could be added. The first is to revisit the Stability and Growth Pact, by exempting public social investments in areas such as lifelong education, training and healthcare from the annual assessment of government deficits. Second, members states experiencing excessive social inequality should get extra support in the semester process.

Beyond this, the key question remains whether there is any political room for manoeuvre to adopt policy measures that tackle the structural asymmetry between the economic and the social dimension of the monetary union in the years to come? A recent survey on the EU integration process covering members of national parliaments and publics in Italy, Germany, Spain, France, Poland and Sweden had some very interesting results. The survey shows that among political elites there is a north/south divide on support for pan-European solidarity measures and EU-wide schemes to tackle poverty and unemployment; but EU citizens are much less divided and show an explicit support for more EU social integration. Contrary to what one might expect while reading about the increasing political consensus towards eurosceptic parties, there is a silent majority of EU citizens ready to support a more ambitious and stronger social Europe. It is the task of the new Commission and Parliament to speak to this majority.

The road towards a fully-fledged social Europe remains long and winding. Yet EU policy-makers are aware that the European project and its legitimacy will depend on its capacity to deliver on a stronger EU social dimension. In the next 15 years European welfare states and public services will face increasing challenges, related for instance to changing family structures, female employment, ageing
populations and digitalisation. That makes the necessity to take decisions urgent and compelling both at national and European level. Certainly, the road to pursue a strong social Europe is neither easy nor certain. But it must be followed, and it will be.
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PUBLIC SERVICE FUTURES:
WELFARE STATES IN THE DIGITAL AGE

Public services across the UK and Europe have faced profound change in recent times as a result of spending pressures, market reforms and the impact of digital technologies. They will need to adapt to further challenges still, not least the increasingly urgent need to tackle the climate emergency. How can our welfare states become smarter at providing good services? How can they ensure a voice for all citizens? And how can they best innovate without losing their ethos?

In this collection, contributors from across Europe and the UK set out some answers to these questions. Their essays offer an insight into how the 2020s can be a time of great possibility for public services, with huge potential for new technologies to meet our shared needs and strong public interest institutions working in collaboration not competition.

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