



ADDRESSING THE UK'S LIVELIHOOD CRISIS: BEYOND THE PRICE OF ENERGY

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About the IGP

The Institute for Global Prosperity at UCL (IGP) is redesigning prosperity for the 21st century, changing the way we conceive and run our economies, and reworking our relationship with the planet. IGP's vision is to build a prosperous, sustainable, global future, underpinned by the principles of fairness and justice, and allied to a realistic, long-term vision of humanity's place in the world.

The IGP undertakes pioneering research that seeks to dramatically improve the quality of life for this and future generations. Its strength lies in the way it allies intellectual creativity to effective collaboration and policy development. Of particular importance to the IGP's approach is the way in which it integrates non-academic expertise into its knowledge generation by engaging with governments, policy makers, business, civil society, the arts and local communities.

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CONTENTS

1. INTRODUCTION	5
2. POLICY SCAN: THE UK AND BEYOND	5
2.1 SUBSIDIES	6
2.2 PRICE CAPS	6
2.3 INDUSTRY LEVIES	7
2.4 PUBLIC OWNERSHIP	7
3. WHAT LIVELIHOOD CRISIS?	8
3.1 INEQUALITY	10
3.2 SUSTAINABILITY	13
4. DISCUSSION: THE CASE FOR ENERGY AS A UNIVERSAL BASIC SERVICE	15
4.1 UBS: ACTION ON INEQUALITY	16
4.2 UBS: ACTION ON SUSTAINABILITY	16
4.3 UBS: FACILITATING A JUST TRANSITION	18
CASE STUDIES: COMMUNITY ENERGY	19
5. CONCLUSION	21
BIBLIOGRAPHY	22

LIST OF ILLUSTRATION

FIGURE 1.	CONTRIBUTIONS TO THE ANNUAL CPIH INFLATION RATE, UK, OCTOBER 2020 TO OCTOBER 2022	9
FIGURE 2.	POOREST UNDER PRESSURE: THE COST-OF-LIVING INCREASE IS LARGER FOR LOWER-INCOME HOUSEHOLDS.	10
FIGURE 3.	MORE THAN HALF OF ALL LOW-INCOME HOUSEHOLDS WENT WITHOUT ESSENTIALS.	11
FIGURE 4.	LOW-INCOME HOUSEHOLDS HAVE A TOTAL OF £3.5 BILLION IN ARREARS FOR THEIR ESSENTIAL HOUSEHOLD BILLS.	12
FIGURE 5.	RENEWABLES, EFFICIENCY AND HEAT PUMPS OFFER SIGNIFICANT NEAR-TERM POTENTIAL TO CUT UK GAS DEMAND AND IMPORTS: IMPACT ON UK GAS SUPPLY AND DEMAND IN 2025, TWH.	14
FIGURE 6.	VALUE PER INCOME DECILE	16
TABLE 1.	CASH TRANSFERS AND IN-KIND SUPPORT PER COUNTRY	6
TABLE 2.	UBS DEFINITIONS AND COST PER YEAR	15
TABLE 3.	WEEKLY MIS BUDGETS, FOUR HOUSEHOLD TYPES, APRIL 2022.	17

1. INTRODUCTION

The UK is suffering a sustained crisis, as the cost of living and energy prices soar. In recent months, and across successive changes in leadership, the government has announced various policies to mitigate the effects, yet they have failed to act systemically. The government's response so far has reflected a reactive fixation on the rising price of energy; but the UK is ultimately facing a deeper livelihood crisis, that exists at the nexus of rising food, transport and energy prices, high levels of inequality, and an unsustainable dependence on fossil fuels. This crisis demands a whole systems approach, underpinned by the principles of equality and sustainability.

The Institute for Global Prosperity (IGP) has a plan for the UK. Since its inception, the IGP has been developing novel approaches to livelihood security. At the core of this work is Universal Basic Services (UBS), an expanded social protection system for the 21st century. This working paper analyses the cost of living crisis through a livelihood lens: exploring what the implementation of UBS could mean for the cost of living crisis, and how it could ultimately work to secure livelihoods in the long-term.

2. POLICY SCAN: THE UK AND BEYOND

Several potential solutions have been proposed by a range of governments and organisations. Broadly speaking, they fall into four categories: **subsidies, price caps, industry levies and public ownership.**

2.1 SUBSIDIES

Subsidies, both direct cash transfers and in-kind support, have been the most widely proposed policy response. This approach seeks to offset the rising cost of living by supporting consumers directly.

In contrast, the **IMF** has argued in favour of allowing the full increase in energy costs to pass to consumers (Ari et al, 2022). This ultimately means switching from broad-based support including price caps, tax cuts and subsidies to targeted relief efforts, such as transfers to low-income families. The IMF has argued that time-bound, targeted policies that pass the full energy price increase onto the consumer provide a strong incentive for conserving energy (Celasun, Iakova, and Parry, 2022).

On a national level, a range of subsidies have already been introduced (Carroll et al, 2022).

	Cash transfers	In-kind support
Germany	One-off payments: 200 euros for people on social welfare, 300 euros for those in stable employment, and 100 euros per child for families.	9 euro monthly transport ticket
France	One-off payments of 200 euros have been extended to those on salaries of less than 2,000/year	Rebates of 30 cents/litre on petrol and diesel were brought in earlier this year.
Spain	One-off payment to people on incomes of less than 14,000/year.	Free transport across sections of the national Renfe train network.

2.2 PRICE CAPS

Prices caps limit the amount suppliers can charge for each unit of electricity and gas used, as well as associated standing charges.

The **UK's** current Energy Price Guarantee replaced the Default Tariff Cap that had been set by the national energy regulator Ofgem since 2019. The price of

electricity and gas have now been capped at 34p per kilowatt-hour (kWh) and 10.3p/kWh respectively, with the additional cost being offset through public spending (BEIS, 2022). Household energy bills will continue to vary according to usage.

Spain has capped electricity prices at 48.80 euros per megawatt hour (Carroll et al, 2022).

2.3 INDUSTRY LEVIES

Levies on industry profits have been proposed to help offset price rises, and reduce pressure on consumers. These levies take many forms, with windfall taxes among them.

Some UK energy companies have called for a corporate fund to support low-income households. **The National Grid** have pledged £50 million over the next 18 months to be distributed to organisations helping the most vulnerable, such as the Fuel Bank Foundation and Citizens Advice (Thomas, 2022a). **ScottishPower** have called for all energy companies to pay into a ‘social energy’ fund that will subsidise energy bills when government support comes to an end in April. The programme would be supplemented with public funding, and would replace both the windfall tax on oil and gas producers and the revenue cap on low-carbon electricity generators (Thomas, 2022b).

In her State of the Union address on 14 September, **Ursula von der Leyen** outlined proposals for a windfall tax on non-gas energy producers, and a separate ‘crisis contribution’ from “major oil, gas and coal companies [that] are also making huge profits.” Together, these two policies would contribute to the 140 billion euros the EU hopes to raise to reduce the pressure of the price increases on consumers. Von der Leyen highlighted that these were emergency measures only: in the longer term, the EU would need to break the ‘dominant influence’ of the price of gas on electricity costs and redesign the markets so that consumers could access low-cost renewable more easily (European Commission, 2022).

Germany has introduced a windfall tax on energy profits, that will help to fund the 65 billion euro consumer support package that they introduced earlier this year (Rankin and Jones, 2022).

The **UK** government has increased its windfall tax rate on oil and gas profits to 35%, and introduced a 45% levy on electricity companies. These measures will remain in place until 2028, generating an estimated £55 billion during that period (HM Treasury, 2022).

2.4 PUBLIC OWNERSHIP

Public ownership of energy companies is common in many European countries. The energy price crisis has broadened discussions of whether the private sector has a place in producing and supplying public goods.

The Labour Party has pledged to create Great British Energy, “a new, publicly-owned clean generation company that will harness the power of Britain’s sun, wind, and waves – to cut energy bills and deliver energy independence for our country.” According to Labour, GB Energy will work alongside the private sector to provide additional capacity and guarantee long-term energy security (Labour, 2022). This is a bold and progressive plan, that if combined with an expanded social protection system in the form of UBS, could help to address the energy element of the current crisis (Portes et al, 2017; Coote, Kasliwal and Percy, 2019; Percy 2021, 2022)

In July, **France** announced the complete nationalisation of EDF, which had already been 84% state owned (White, 2022).

3. WHAT LIVELIHOOD CRISIS?

The proposals outlined above largely address rising energy prices in a silo; they fail to tackle the intersecting problems that together constitute a wider livelihood crisis.

A working definition of livelihood security/sustainability

“A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.” (Chambers & Conway, 1991)

The IGP frames livelihood security as the outcome of a functioning infrastructure of interrelated assets, which include a secure income and good quality work; affordable housing; access to key public services; and inclusion in social and economic life. This infrastructure is both local and subject to macro-level economic and political influences, and is ‘social’ in every sense: functioning as a socio-technical system in which political, cultural, social, economic, and physical factors become enmeshed (Woodcraft, Collins and McArdle, 2021; Amin, 2014; Klinenberg, 2018).

British livelihood security is at an all-time low, having been progressively eroded since the 1970s. Recent analysis by the IGP highlights that every region in England now scores low on at least one of the five pillars necessary for secure and prosperous lives: secure income and work, access to key basic services, food and energy security, economic, financial, social and digital inclusion, and secure and affordable housing. The West Midlands and the North East rank lowest overall, yet inequalities exist both within and between regions (Lorgat and

Tirra, 2022). The Chancellor’s autumn statement confirmed the up-rating of benefits in line with inflation, and a welcome 9.7% rise in National Living Wage, but the pressure on all but the poorest quarter of the population continues to mount. The average worker’s real wage isn’t expected to return to its 2008 level until 2027, and households disposable incomes are set to remain lower than they were before the pandemic well into 2028 (Bell et al, 2022)

The UK is now facing a crisis with multiple dimensions:

HOUSING

Researchers at the University of York predict that by January up to 55% of UK households could be experiencing fuel poverty. Cold homes are a major public health risk – this level of fuel poverty this could lead to thousands of excess deaths, and could harm the health and development of up to 10 million UK children, either directly or indirectly (IHE, 2022).

The cost of housing itself is also increasing. The price of new, private tenancies rose more than 10% over the last year, and low-income families now spend on average more than half their income on housing (Odamtten and Tomlinson, 2022).

FOOD

The average household food bill has risen 12.6%: a knock-on effect of the rising cost of energy on food production and fertiliser costs (ONS, 2022).

According to the Food Standard Agency’s Consumer Insights Tracking Survey, in March 2022, 31% of UK households were concerned about being able to afford food. In the same month, 22% of families reported either cutting down meal sizes or skipping

meals altogether (FSA, 2022). 73% of households with children on free school meals were concerned that not being able to afford food and energy bills would harm their children’s health and wellbeing (The Food Foundation, 2022).

Low income households, households with children, households in the North West and North East of England, and people with disabilities were most likely to be classed as food insecure (FSA, 2022).

TRANSPORT

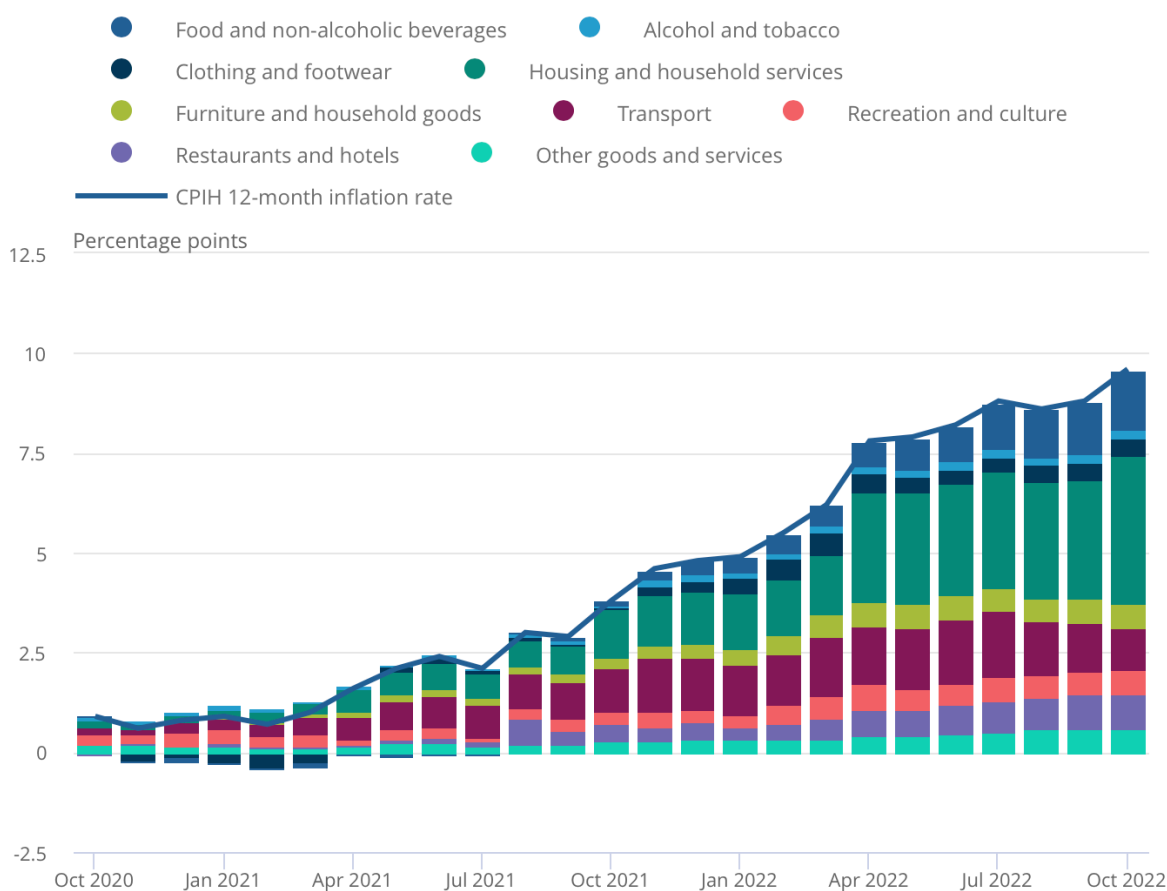
Transport now accounts for a larger percentage of UK household budgets as petrol costs soar. The latest figures from the Office for National Statistics (ONS) show that the cost of running and maintaining a personal vehicle has gone up by 15% since last year (ONS, 2022).

INFORMATION TECHNOLOGY

Six million UK households are struggling to pay their mobile, landline and broadband bills (Which?, 2022). This poses a serious threat to digital inclusion, and to broader social and economic participation.

The increase in the cost of living is reflected in the Office for National Statistics’ Consumer Price Index (CPIH), which rose 9.6% in the 12 months to October 2022. This is up from 8.8% in September 2022. The largest contributions to rising inflation came from household services (electricity, gas and other fuels), transport and food and non-alcoholic beverages (ONS, 2022). More and more households are struggling to mitigate the rising cost of living, and existing social and economic inequalities are being amplified.

Figure 1. Contributions to the annual CPIH inflation rate, UK, October 2020 to October 2022 (ONS, 2022).

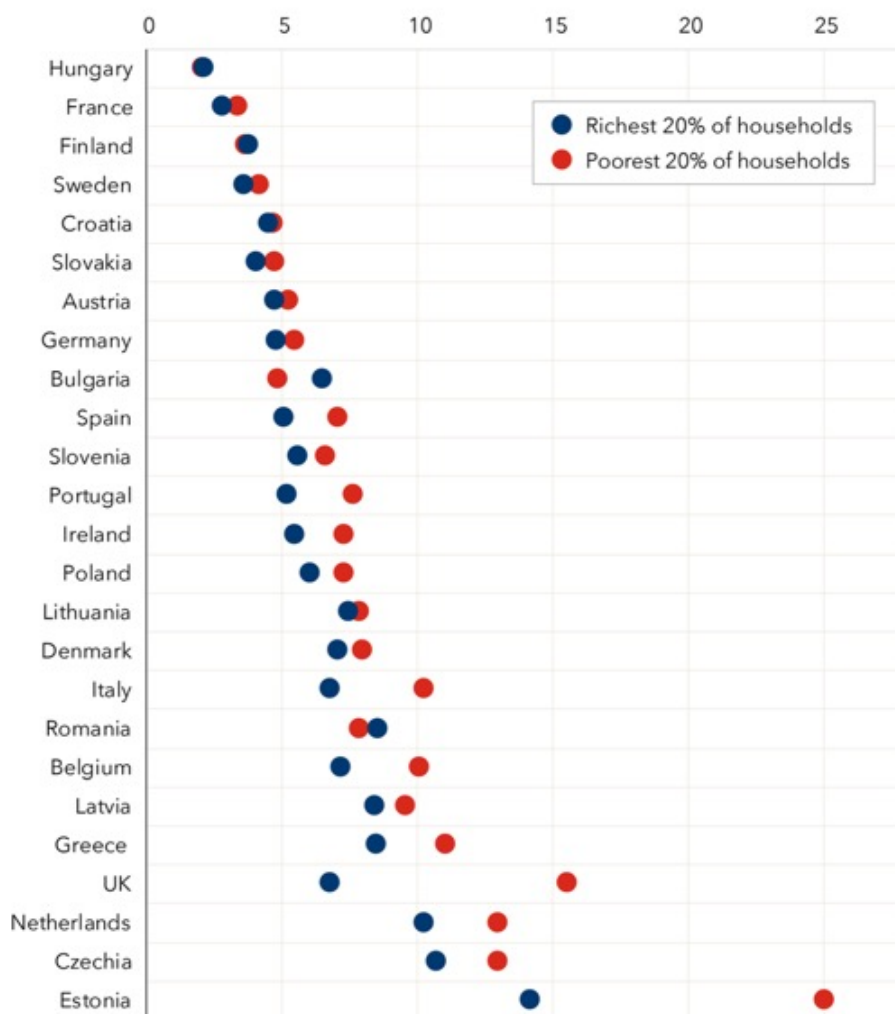


The UK's energy network is at the centre of the current crisis, and is profit-driven and highly vulnerable to global shocks. To respond efficiently and effectively to the rising cost of living, on both a systemic and human level, we identify inequality and sustainability as two key focal points for policy. UBS could provide the whole-systems change needed to secure livelihoods, through action on the intersecting elements of the cost of living crisis.

3.1 INEQUALITY

UK policy has so far failed to address the unequal impact of the rising cost of living. Inequalities in the UK are patterned along several key lines, yet the measures announced to address the energy crisis contribute to a history of 'race-neutral' policymaking, that is equally blind to gendered and geographic divides (Curry et al, 2022).

Figure 2. Poorest under pressure: The cost-of-living increase is larger for lower-income households (cost of living increase from higher energy prices, in percent of total household spending) (IMF, 2022)



Sources: Bloomberg Finance L.P., Eurostat, and IMF staff estimates using CPAT.
 Note: Price increases compare the current projected prices for 2022 based on May 2022 futures prices, with those based on January 2021 futures prices.



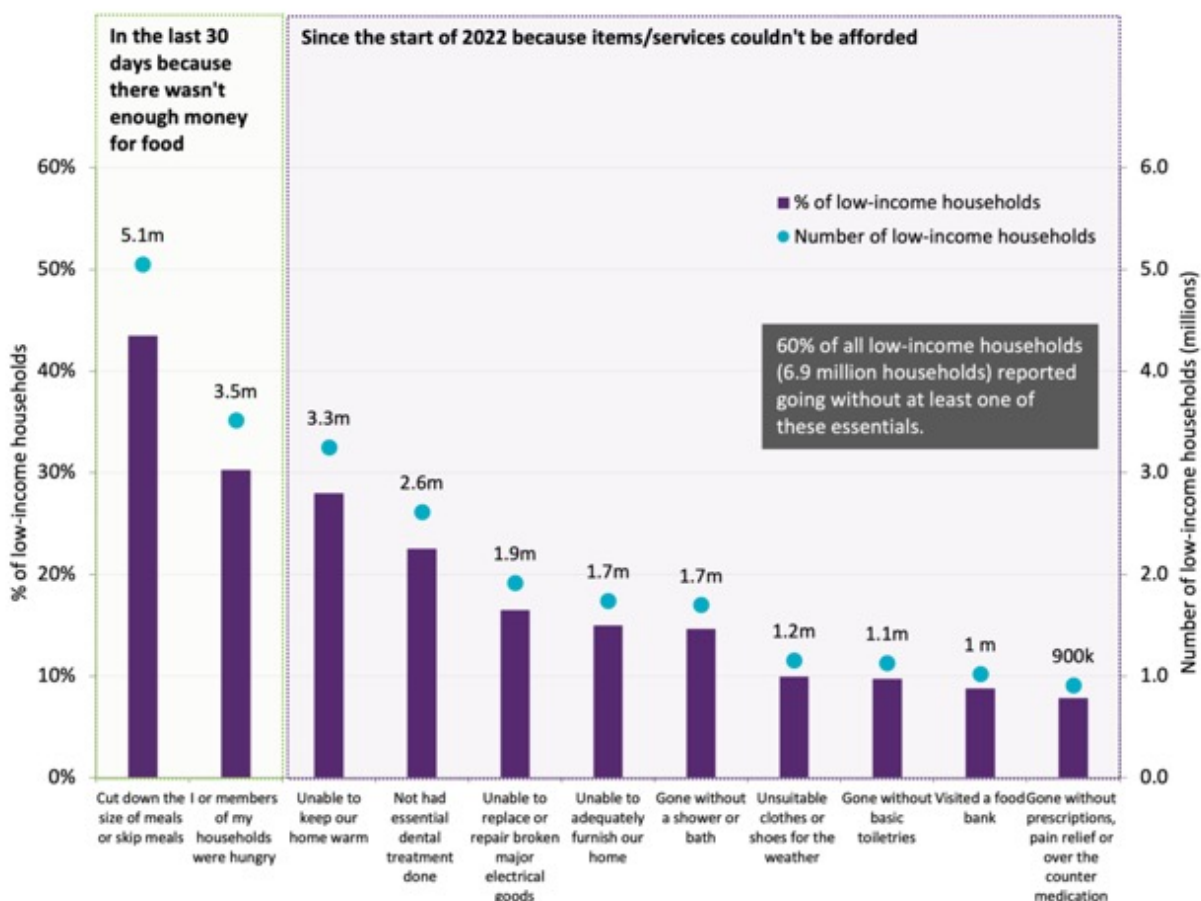
In most European countries, the cost of living has increased more for the poorest 20% than for the richest 20%. The UK has seen one of the largest gaps, second only to Estonia, with the pressure of rising bills patterned along racial, gendered, and geographical lines (Celasun, Iakova, and Parry, 2022).

Black and Asian low-income households are more than twice as likely to be in arrears as white households (Broome and Leslie, 2022). Single parents, many of whom are women, are acting as ‘shock-absorbers’, skipping meals and going without essentials to shield their children from necessary cutbacks (Women’s Budget Group,

2022). A report published earlier this year by the Royal College of Physicians highlighted that this is a public health crisis as well as a fiscal one, and low-income households are feeling the effects most keenly (RCP, 2022). Alongside rising energy prices, inflation has reached its highest level in almost half a century.

The impact on livelihoods is profound: average household disposable income has fallen by almost a quarter in the year to May 2022, and over 7 million UK households reported having to go without essentials in the month of July alone (CEBR, 2022; JRF, 2022).

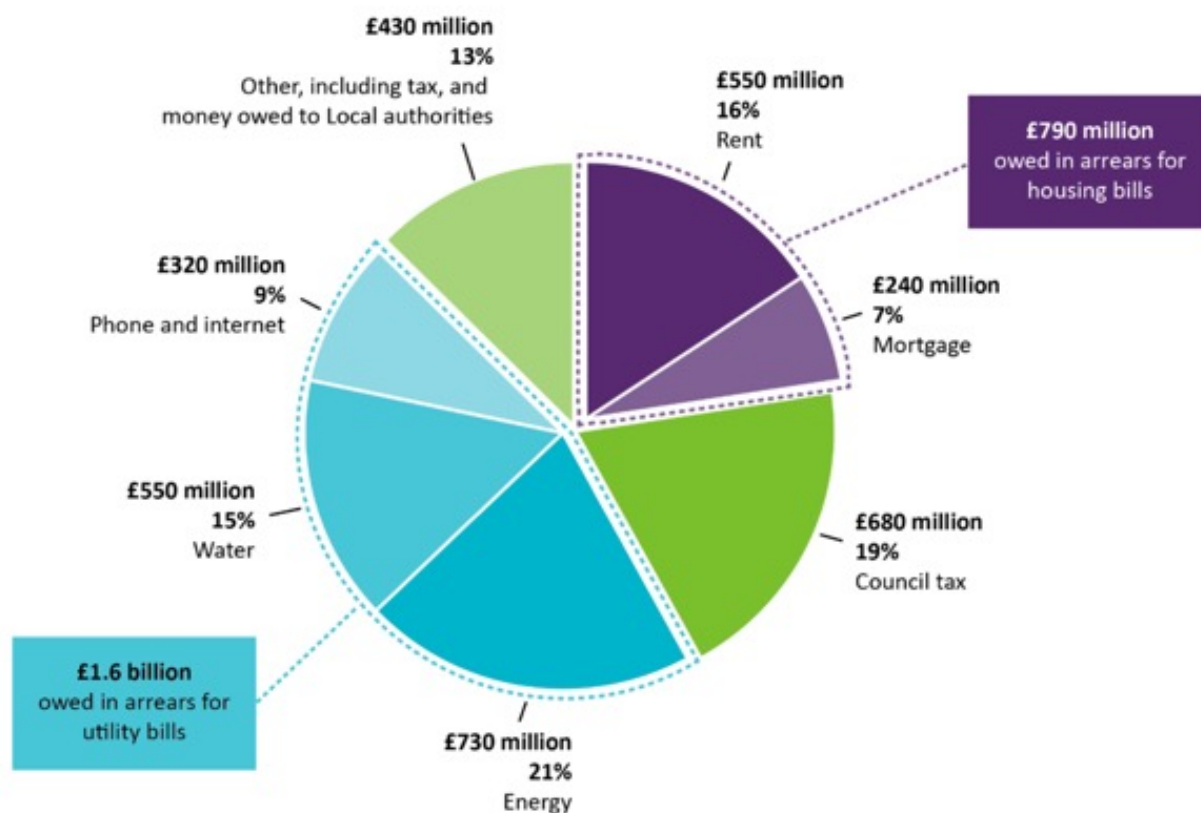
Figure 3. More than half of all low-income households went without essentials (JRF, 2022).



As the ‘wealth buffer’ is worn down, debt accounts for an increasing share of income, and high cost

debt makes up a growing part of this equation (Broome and Leslie, 2022).

Figure 4. Low-income households have a total of £3.5 billion in arrears for their essential household bills (JRF, 2022).



Against this backdrop, energy companies have welcomed soaring profits. Shell announced adjusted earnings of almost £10bn in the period April-June 2022, while BP recorded its highest ever quarterly profit over the same period (£6.9bn) (Shell, 2022; BP, 2022). While the UK government's increased windfall tax is welcome, these figures highlight the need for more extensive state regulation of the energy market. Energy is a service not a commodity, and excess profits across the industry could be repurposed to fund social protection and decarbonisation efforts. The TUC estimates that the UK government will miss out on up to £112 billion in direct income over the next two years, due to past privatisation of power plants and lack of public ownership over electricity generation (TUC, 2022). If the UK had a public energy provider like EDF in France or Vattenfall in Sweden, excess profits due to soaring wholesale prices could be repurposed to reduce energy bills and speed-up home insulation.

The TUC estimates that this revenue would be equivalent to £2,250-£4,400 per household (TUC, 2022).

Access to sufficient energy is vital for health and wellbeing, but also to full economic and social participation. As Helm argues, citizens are more than consumers, and energy cannot be treated like any other commodity (Helm, 2022). This belief is reflected in a recent YouGov poll, which highlighted that the majority of the British public are in favour of renationalising energy: 55% thought it should be wholly run in the public sector, 20% believed it should be split between public and private interests, and just 10% were in favour of complete privatisation (YouGov, 2022). The current system is clearly in need of restructuring, and action on inequality (broadly conceived) must therefore be central to future energy policy.

3.2 SUSTAINABILITY

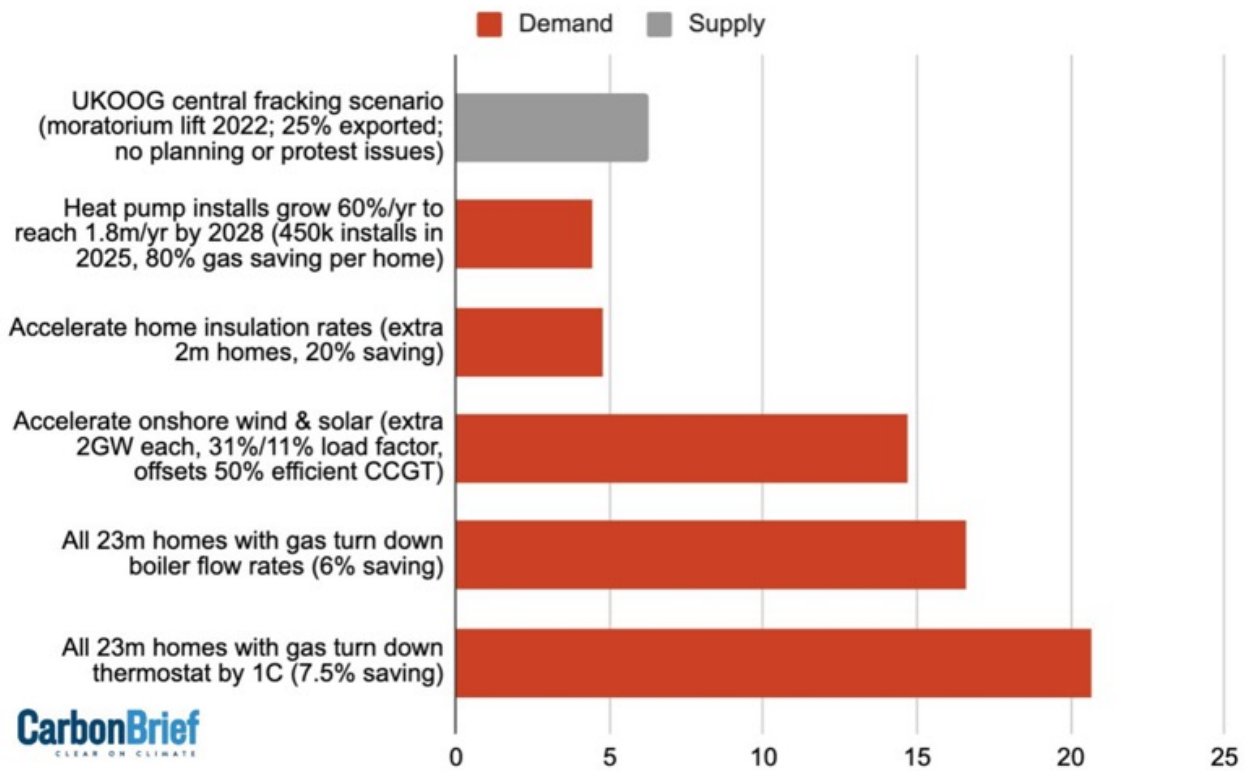
Sustainability is a second vital focal point for policy responses to the livelihood crisis. A green transition will help to secure livelihoods by ensuring sustainability on a climate, energy security and fiscal level. So far, the UK government's response to the crisis has failed to deliver on sustainability in all three respects.

We're in an age of extremes environmentally as well as fiscally. Rising energy prices across Europe coincided with one of the hottest and driest summers on record. The 2022 report from the Lancet Countdown highlights that climate change is now undermining every dimension of global health monitored, exacerbating food insecurity, and increasing the vulnerability of populations to the overlapping geopolitical, energy and cost of living crises (Romanello et al, 2022).

Our dependence on fossil fuels is also unsustainable from the perspective of energy security. Much of the discourse on rising energy prices has focussed on the immediate drivers; notably, a surge in energy use following the COVID-19 pandemic and disruption to global supply chains, exacerbated by Russia's war on Ukraine. This crisis is reminiscent of the fuel shocks of the 1970s, when global energy prices skyrocketed in response to the Yom Kippur war, and later, the Iranian Revolution. Both crises highlight that global energy markets, with their dependence on oil and gas, are highly vulnerable to geopolitical manipulation (Robins, 2022). Our dependency on volatile and unpredictable fossil fuel markets, and frail supply chains, affects human health and wellbeing directly. The need to reduce our dependence on fossil fuels has become unavoidable. To minimise the risk of future shocks, current policy responses must emphasise sustainability for our energy markets, both from a climate and security perspective. Energy policy specialist Dieter Helm highlights that this requires a capacity margin, acting 'just in case' rather than 'just in time' (Helm, 2022). These policies must ultimately be investments in the long-term, rather than short-term stop gaps.

Scheer (2021) and Zenghelis (2019) highlight that a green energy transition will be far more cost-effective than propping up legacy structures, and the expansion of renewables will ultimately create economies of scale: lowering prices, and broadening accessibility. The government's refusal to prioritise decarbonisation highlights a broader failure to recognise climate risk as financial risk. In a recent paper on fiscal sustainability, Agarwala et al highlight that investment in legacy structures (like extractive energy industries) ultimately carries more financial risk in the medium and long term. These structures, and the skills of the workforce that operate them, will soon be obsolete. Investment in the expansion of oil and gas infrastructure is ultimately investment diverted from more sustainable, and more secure, energy sources. Agarwala et al argue that we need to "crowd in sustainable capacity and bolster the structural resilience of the economy... Compensating, reskilling and retooling those who stand to lose out, enabling them to participate in the new economy and provide the jobs of the 21st century" (Agarwala et al, 2021). Economic history suggests that this transition will be least disruptive if the flow of resources from declining, low-productivity sectors to new, more productive sectors is encouraged rather than inhibited (Zenghelis et al., 2018; Combes and Zenghelis, 2014).

Figure 5. Renewables, efficiency and heat pumps offer significant near-term potential to cut UK gas demand and imports: Impact on UK gas supply and demand in 2025, TWh (Carbon Brief, 2022).



4. DISCUSSION: THE CASE FOR ENERGY AS A UNIVERSAL BASIC SERVICE

The current crisis has brought calls for a new period of austerity. But the pressure on livelihoods ultimately highlights an urgent need to adapt both our economies, and the ideologies that inform them. It is time for a new form of social protection, to address the intersecting problems at the heart of this crisis, and deliver equitable and sustainable livelihood security. The IGP’s programme of UBS, with energy at its core, provides the necessary framework, in an integrated, need-specific, and affordable way (see Portes et al, 2017; Percy 2021, 2022).

The IGP’s UBS model has recently been deployed by the New Economics Foundation (NEF) in their proposal for ‘free basic energy’. Under NEF’s proposal, households would be entitled to the first 8,000 kilowatt hours of gas and 2,000 kilowatt hours of electricity. The poorest 10% of households would receive just under 90% of their energy consumption for free, and energy use above this threshold would be charged at a rate of just under 3x higher than the respective forecast direct debit charges for April 2023 (87p and £2.60/kwh respectively). This

package would also include a £750 cost of living allowance, and a new ‘energy element’ to the universal credit system, which would provide an annual energy allowance of £1,000 for a single person and £1,650/year for a couple (NEF, 2022).

NEF’s proposal is strong on energy, but lacks the whole-systems approach needed to address the broader effects of energy price increases. A programme of UBS, as developed by the IGP, would integrate energy security with security in other key areas, notably food, transport, housing and digital connectivity. UBS thus guarantees livelihood security, cancelling out the need for NEF’s universal credit ‘energy element’ and cost of living subsidy.

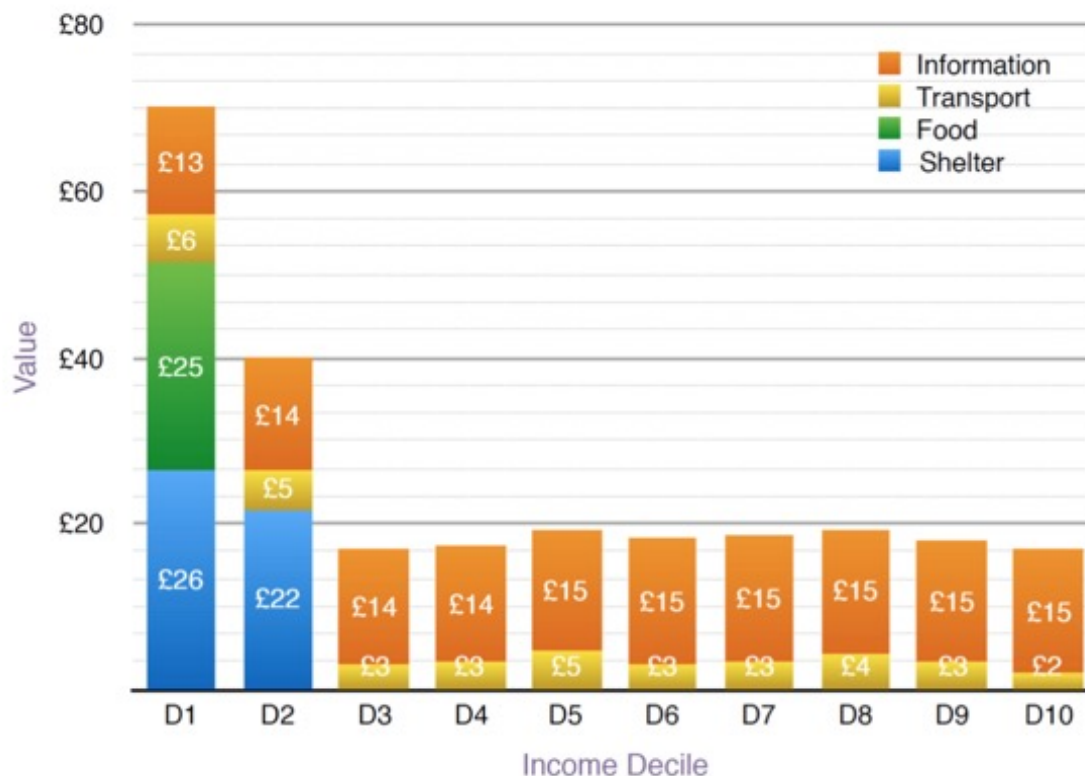
A UBS package containing shelter, food, transport, information and energy would cost an estimated £88.36 billion, well below the £150 billion originally pledged by the government for the energy price guarantee (Portes et al, 2017; Percy, 2021). The remaining £62.7 billion could be invested directly into the expansion of UK renewable energy production, accelerating the transition away from fossil fuels.

+5 UBS	Shelter	Food	Transport	Information	Energy	UBS Total
Definition	1.5 million new social housing units @ zero rent + Council Tax exemptions + utilities	1.8 billion meals (7 meals/week)	Free local public transport	Basic cell phone, home internet, BBC TV license	Free energy below 8,000 kwh of gas and 2,000 kwh of electricity	
Cost/year	£13.03 billion	£4.0 billion	£5.2 billion	£18.9 billion	£46.2 billion	£87.3 billion

Assuming that the take up of additional services like free meals and social housing would be concentrated in the lower deciles of income

distribution, the benefits of UBS would largely be felt by the least well-off (Portes et al, 2017).

Figure 6. Value per Income Decile



4.1 UBS: ACTION ON INEQUALITY

A UBS model, with energy as a pillar, addresses the UK's high levels of inequality by delivering a common floor. It guarantees a decent quality of life to all, under conditions of both relative stability and extreme pressure, and uses state resources efficiently in order to do so. UBS works within the existing architecture of the state, but ultimately facilitates devolution to a local level, shifting from control over the population to control by the population. In this context, giving citizens a stake in their energy supply facilitates collaborative policymaking, to address the concerns and aspirations of local communities.

4.2 UBS: ACTION ON SUSTAINABILITY

Investment in UBS is also sustainable: fiscally, environmentally, and in the context of energy security. At the core of UBS is the notion of a social wage: the value of a public service to an individual citizen, expressed as a replacement for financial income (Portes et al, 2017). Rather than relying on monetary subsidies, it uses the architecture of the state to provide citizens with an expanded programme of public services. The Joseph Rowntree Foundation's Minimum Income Standard (MIS) calculations estimate the cost of living as below (JRF, 2022):

Table 3. Weekly MIS budgets, four household types, April 2022.

	Single adult, working age	Couple pensioner	Lone parent with two children aged 2–4 and primary school age	Couple with two children aged 2–4 and primary school age
Food	£65.73	£96.35	£88.98	£122.37
Alcohol	£8.33	£12.07	£5.49	£10.64
Tobacco	£0.00	£0.00	£0.00	£0.00
Clothing	£13.63	£17.36	£37.62	£46.88
Water rates	£7.44	£8.78	£11.57	£11.57
Council Tax	£16.55	£23.05	£19.82	£27.37
Household insurances	£1.48	£1.69	£1.46	£1.64
Fuel	£30.97	£34.18	£45.97	£48.81
Other housing costs	£1.92	£1.92	£2.09	£2.09
Household goods	£14.61	£22.61	£30.57	£31.50
Household services	£8.28	£12.32	£14.11	£11.19
Childcare	£0.00	£0.00	£240.56	£240.56
Personal goods and services	£26.22	£53.60	£37.58	£49.99
Motoring	£0.00	£0.00	£78.76	£79.38
Other travel costs	£33.26	£19.73	£16.15	£43.61
Social and cultural participation	£64.86	£78.24	£99.62	£112.16
Rent	£98.70	£89.03	£96.83	£96.83
Total excluding rent and childcare	£293.28	£381.90	£489.77	£599.20
Change since 2021	26.8%	18.3%	19.2%	17.2%
TOTAL ALL	£391.98	£470.94	£827.16	£936.59

UBS would cancel out a significant portion of this expenditure, and thus has the potential to increase retained earnings even if the basic labour rates decreased by as much as 30%. Following this model, and unlike the tax cuts and subsidies outlined by the government so far, UBS is unlikely to be inflationary. It works instead to reinforce the institutional fabric of society, expanding capacities and capabilities, and increasing social cohesion. By building capacities and capabilities, we can increase productivity by the margin needed to cover the full cost of an expanded package of public services (see Percy and Reed, 2021). Many areas of policy interrelate, and to be most effective, they must be mutually reinforcing (Martin, 2019). UBS delivers on this ask and is thus fiscally sustainable; it works to secure

livelihoods without increasing inflation, and in doing so, pays for itself.

UBS also constitutes action on environmental sustainability. It is increasingly urgent to see climate policy and social policy in the same frame, and there is evidence to suggest that more extensive welfare states are better placed to adopt and implement climate-sensitive policies (Gough, 2008). UBS is an approach to welfare grounded in the principles of sufficiency and collective responsibility. “A UBS framework can help to constrain excessive consumption by changing incentives and redirecting resources. If collective provisioning became an acceptable – even popular – way to secure much of what is necessary to live well within limits, norms

and expectations would shift, influencing what people buy, how much is considered enough and awareness of the negative effects of accumulating too much stuff.” (Coote, 2021) UBS can ultimately work to maintain consumption within the social foundation and ecological ceiling that Raworth (2017) defines as a “safe and just space for humanity.”

In the context of sustainable energy production and consumption, UBS is particularly powerful. First, it incentivises conscious energy use, by providing free energy below a sufficient level, and pricing excess consumption at a higher level. But it also has the potential to facilitate decarbonisation on the supply side. In a review of six national case studies, Benoit et al (2022) found that state-owned energy companies were more effective vehicles for decarbonisation than their private counterparts. This is partly because governments are not ordinary stakeholders: they also set broader policy and regulatory boundaries, meaning their influence over energy companies extends beyond equity alone (Benoit, 1997, 2022). The UK is currently the only country in Europe in which every aspect of energy production and distribution is privatised. Making energy a UBS would mean bringing the whole process into the public interest, investing in a circular economy and closing the cycle of production, distribution, and consumption. Concentrating this process within the UK, and within the public interest, would be fiscally sustainable, facilitate the transition away from fossil fuels, and ultimately help to protect the energy industry from future shocks.

4.3 UBS: FACILITATING A JUST TRANSITION

UBS’s action on inequality and sustainability would combine to facilitate a just transition. In the UK, the oil and gas industry employs an estimated 40,000 people directly, and supports a further 375,000 jobs in adjacent sectors (ONS, 2019; EY, 2014). The transition away from environmentally and socially extractive structures should secure the livelihoods of those most impacted by the transition process itself, ensuring that workers are reskilled and afforded full participation in the green economy.

The IGP’s programme of UBS would support a just transition in three respects:

1. **UBS reconceptualises the contract between citizen and state.** Giroux contends that under the neoliberal regimes of Ronald Reagan and Margaret Thatcher, certain social groups became ‘disposable’ (Giroux, 2009; Goddard, 2017). This devaluation coincided with the erosion of the contract between citizen and state, as public discourse shifted from a focus on rights to a focus on obligations. UBS reconceptualises this contract, emphasising collective responsibility and interdependence, and prioritising security on both a social and planetary level. This analytical framework lays the foundation for a just transition.

2. **UBS provides integrated, systemic support.** Case studies from oil producing regions like Alberta’s Athabasca tar sands highlight that labour market and livelihood precarity need to be addressed through multisectoral interventions. Targeted retraining programmes will form part of this intervention, but alone are insufficient. Through its integrated approach to livelihood security, tying together housing, food, information, transport and energy, UBS can support people across the transition process.

3. **UBS emphasises devolution to a local level.** This devolution empowers communities to make decisions about what decarbonisation and a green transition will look like for them. Community energy projects, of which the UK has several hundred, are a good example of the power of community-led action. These are “projects where communities (of place or interest) exhibit a high degree of ownership and control [over their energy supply], as well as benefit collectively from the outcomes’ (Seyfang, 2014). (See examples below)

UBS, when paired with further investment in renewable energy generation, would therefore support a just transition: redefining prosperity, securing livelihoods, and balancing a unified national policy framework with devolution to the community level.

CASE STUDIES: COMMUNITY ENERGY

Community energy projects illustrate how local-level action on equality and sustainability can affect meaningful change, in the context of both a just transition, and broader livelihood security.

THE COMMUNITY ENERGY BUSINESS MODEL

Until 2019, the UK government supported community energy generation projects through a Feed-In Tariff (FIT), which paid generators for each unit of clean energy that they generated. Over the course of the scheme, tariffs became progressively lower, until they were finally phased out in April 2019. This is how the scheme was intended: FITs were a regressive subsidy that sought to stimulate the market, until the price of renewables was low enough to be competitive with other technologies.

This also marked a change in the community energy business model, as instead of relying on subsidies, projects came to support themselves by selling energy directly to the market.¹

BRIGHTON ENERGY CO-OP

The Brighton Energy Co-op allows community members to gain a financial stake in renewable energy, generating returns and funds to spend on local energy projects via the community energy business model.

Rooftop solar is the most popular energy source funded by BEC, but solar farms, wind turbines and hydro-electric schemes have also had considerable success.²

OVESCO

Ovesco works to “develop community-owned renewable energy in the Lewes district and across East Sussex to reduce our local carbon footprint and lower our dependence on imported energy. We do this in partnership with schools, businesses, and community groups.”

Ovesco’s projects are only ever developed on low productivity land and use local labour and supplies wherever possible. The Ouse Valley Solar Farm is one example, and when completed will power an estimated 4,000 homes.³

PEOPLE-POWERED RETROFIT

People-Powered Retrofit is a non-profit that provides people in Greater Manchester and the Northwest with advice and support for planning, procurement, and delivery of retrofit projects.⁴

ISLES OF EIGG AND GIGHA

Eigg and Gigha are remote islands that have built locally owned and operated windfarms.⁵

¹ Brighton Energy Co-op, <https://www.brightonenergy.org.uk/community-energy-build-community/>

² Ibid., <https://www.brightonenergy.org.uk>

³ Ovesco, <https://ovesco.co.uk>

⁴ People Powered Retrofit, <https://retrofit.coop>

⁵ Isles of Eigg, <http://isleofeigg.org/eigg-electric/>; Isles of Gigha, <https://www.gigha.org.uk/Windmills>

5. CONCLUSION

The UK is facing a crisis with multiple dimensions. As the price of energy, food, transport and digital connectivity rise, livelihood security is being progressively undermined. This crisis highlights the need for change on a systemic level: UBS offers a blueprint for this change, in an integrated and affordable way, and “based on the principles of solidarity, collective responsibility and shared needs.” A programme of UBS, with energy as a pillar, would help to address the systemic drivers of the energy crisis by promoting an energy system that is citizen rather than profit-led, and that re-centres the principles of equality and sustainability. In conjunction with the support offered across the areas of housing, food, transport, and information, this would ultimately help to provide long-term livelihood security, for all.

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