

Sustainable public spending: The choice between universalism and targeting

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Social policy has always involved choices about whether the core principle behind social provisioning will be 'universalism' or selectivity through 'targeting'. During times of plenty, universal services have been preferred in Wales, where possible. At a time of financial constraint is such an approach sustainable?

The social justice agenda

Since devolution, successive Welsh Governments have created a distinctive policy framework that has been based on the principles of equality of outcome and universalism in the provision of public services.

Equality of opportunity

Section 120 of the *Government of Wales Act 2006* requires the National Assembly to ensure that its functions are exercised with due regard to 'equality of opportunity for all people'. The legal requirements within the Welsh context are wider than in most other parts of the UK. The principle of equality is not simply a question of ensuring non-discrimination by treating everybody the same. It is about actively ensuring that people can access services equally.

It is against this background that a distinctive approach to social justice, based on the principle of progressive universalism has developed.

Progressive universalism

The concept of universally-accessible support and development services with enhanced access for those requiring special or targeted support seems to have found a good deal of agreement across the political spectrum in Wales and is

reflected in the One Wales commitments of the previous Labour and Plaid coalition.

One Wales commitments:

- free school breakfasts and school milk for the youngest children;
- free prescriptions for all Welsh citizens;
- free bus travel for pensioners and disabled people and their carers;
- free entry to museums and galleries for all Welsh citizens; and
- free swimming for all children on weekends and during school holidays.

The concept of 'progressive universalism' stems from the idea that social justice can be achieved through equality of access to opportunities and high quality services. It is based on the principle that we all have the same set of rights or entitlements, which are as far as possible, free at the point of use. The progressive part of universalism comes in providing, on top of the general policy, additional help for those who need it most.

Progressive universalism

Services which are reserved for poor people quickly become poor services. Progressive universalism is about providing good quality services for all, with specific additional services for the most marginalised groups. It is characterised by early intervention, thereby minimising the cost of providing specialist services for those with acute needs in the longer term.

Universal services are seen to promote citizenship, social justice and community cohesion by ensuring that certain groups of people with particular needs are not marginalised and can share in the experiences of, and feel part of, the mainstream. The choice between universalism and targeting is therefore not merely about the optimal allocation of limited resources. It requires a universal obligation, as well as a set of universal rights, by making social justice everybody's business.

But if universalism provides such value for money, why are universal services so vulnerable at times of financial constraint?

Budgetary implications of targeting

The context of shrinking budgetary resources is often used as an argument for targeting. The usual assumption is that the amount spent on support and development services will remain the same after introducing strict targeting, and that the targeted groups will therefore receive more. But many social commentators argue that in most instances, targeting leads to reduced budgets devoted to poverty and welfare, so that an increase in the needs of some groups is actually met by a reduction in the resources allocated to them.

So does more for the poor really mean less for the poor? And if so, how will the new government determine levels of social expenditure when the outlook for public spending is extremely tight for several years?

The argument for targeting

Fiscal constraint has been a driving force behind the argument for targeting because it authorises the view that targeting resources at the poor is crucial for improving the impact and cost-effectiveness of public spending and interventions. Public resources are concentrated at those who need them the most. Demographic shifts and widespread unemployment highlight the fiscal limits to universal provision. Further, the current debate on the choice between universalism and targeting centres on the idea of redistribution; that is, that universalism is not redistributive.

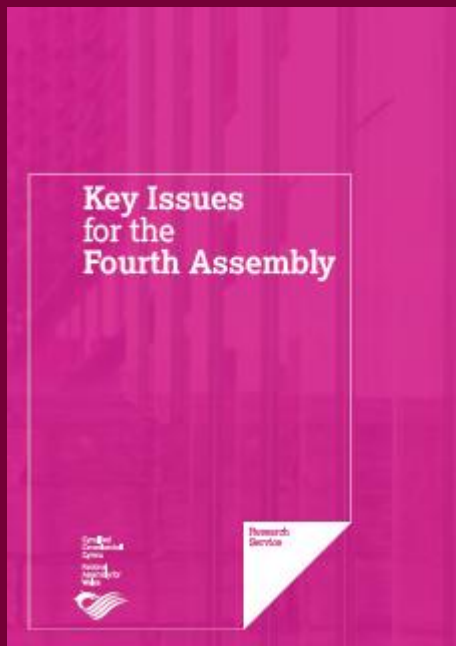
Targeting

Targeting can be used as a means for flattening the distribution of income and as an administrative means to reach groups in society whose income falls below a defined level.

A future strategy for equality

At a time when budgets are squeezed, the new government will inevitably have to consider how it will deliver equality and social justice. Will it pursue universalistic policies or rely on means-testing and other forms of selectivity to give cost savings to government without incurring any wider social costs?

Article taken from Research Service publication



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This document has been specially prepared for Assembly Members by the Research Service. It sets out some of the key issues likely to matter to Members during the Fourth Assembly.

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