

Written evidence submitted by the UK Women's Budget Group

Summary

- **The UK Women's Budget Group believes that decarbonisation is necessary and must be done in a way that promotes equality and justice for all women and girls.** This will require restructuring the economy so that less people work in carbon intensive sectors like construction and aviation and more people work in care. A *care-led* recovery from Coronavirus must be central to decarbonisation.
- **Decarbonisation must prioritise care as investment in social infrastructure as well as developing inclusive physical infrastructure** like energy, housing and transport which takes account of gendered behaviour and is designed in consultation with users. It must focus on redistributing unpaid care as well as wealth through a series of reforms to employment and taxation practises.
- **There are many lessons to learn from the Covid-19 pandemic in order to achieve Net Zero:** the pandemic has exposed the result of nearly a decade of public service cuts where social care, social security and local government have been hardest hit. Government intervention during the pandemic has proven that intervention and investment are possible and needed to stimulate the economy.
- **Significant Green Infrastructure will be required to decarbonise.** All forms of infrastructure Green Infrastructure, including housing, transport and energy, need to be designed with gendered behaviour patterns in mind. Action must be taken to decrease occupational segregation in the jobs created and close gender employment gaps. This requires employing more women than men in traditionally male dominated sectors, ensuring that women's unpaid labour is not increased and enabling women to participate equally in the transition to a green economy.
- **Investment in care as green social infrastructure is also key.** It has the potential to create far more jobs than similar sized investment in physical infrastructure, such as construction. Unlike investment in construction, investment in care would narrow it while still providing more jobs for men. The jobs created by investment in care also produce far fewer Green House Gas emissions, so even though there are many more of them, **the Green House Gas effect of spending on care is greener.**
- **Paying for these investments** is made easier by low-interest rates in the short term. In the long term, a fairer tax system which redistributes wealth effectively, including between women and men is essential.
- **Equality Impact Assessments of all projects will be necessary** to decarbonise effectively and in a way that also prioritises wellbeing and substantive equality for all groups. They must take account of impacts on both care and unpaid work, and on the gender division of labour within them.

1. The UK Women's Budget Group (WBG) is an independent network of leading academic researchers, policy experts and campaigners that analyses the gendered impact of economic policy on different groups of women and men and promotes alternative policies for a gender equal economy.

Gender and Decarbonisation

2. Decarbonisation is urgently needed to stop the climate emergency which has gendered and racialised causes and effects. The UK Women's Budget Group (WBG) welcomes the Treasury inquiry on this topic. Our submission focuses on the need to invest in green infrastructure (social *and* physical) which will allow the UK economy to decarbonise *and* increase equality and justice for different groups of women.
3. In May 2020 we launched a paper, authored for the Commission on a Gender-Equal Economy, called: What would a Feminist Green New Deal look like?¹ In July 2020, we launched our 'Care-led Recovery from Coronavirus'² report. These documents inform this submission on decarbonisation. We have only answered the questions within the scope of our work.
4. Covid-19 has exposed and exacerbated deep inequalities of wealth, gender, race and disability. It has also shown how unready we are for the climate crises still to come unless drastic action is taken to protect people and planet. Decarbonisation must have care, equality and justice at its centre, enrolling diverse voices in its development every step of the way.
5. Action to tackle the climate emergency and decarbonise must be central to recovery plans. These should aim to leave the UK in a better position socially and economically than it was before, especially in terms of wellbeing. The recovery should aim to rebuild key public services that have been hardest hit and ensure people have access to the services that they need in a way that ends poverty, promotes equality and fosters a more caring society. Progress should be measured by indices of well-being and various measures of gender and other types of inequality, not just of incomes, but of access to services and other opportunities.
6. To respond to the climate emergency, we need to create a decarbonised economy in which the work done within it benefits the population's well-being, while at the same time reducing the damage to the environment of current economic practices. WBG's main argument is that any pursuit of Net Zero must include the goal of *transforming our society into a more caring one in which a larger proportion of the working population are employed in care.*

Should the Treasury's support package to business distinguish between companies based on how much they pollute?

7. The Treasury may already be taking decisions to bailout various industries such as steel and public transport. The way they do this is crucial to the success of decarbonisation and a future economy that does not deepen existing inequalities and increase vulnerability to shocks.

¹WBG (2020) Gender and the green new deal briefing <https://wbg.org.uk/analysis/uk-policy-briefings/gender-and-the-green-new-deal/>

² WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

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8. WBG believes that all bailouts should be conditional on meeting wider social goals, not just pollution. Climate, equality targets *and* environmental protection must be hardwired into support packages. And companies must commit to building a healthier, more equal society: paying their share of tax, creating good jobs that are paid fairly, and eliminating gender and racial discrimination in their pay structures. Public money must not be channelled into inflated executive salaries.
9. Any businesses receiving financial support must be required to:
 - a. Adopt near-term climate targets in line with the Paris Agreement and clear, transparent plans to meet them, without reliance on offsetting
 - b. Prioritise job retention
 - c. End artificial tax avoidance arrangements and tax haven structures, publicly disclose where profits are made and who benefits, and publish their tax policy
 - d. Implement a moratorium on dividend payouts and share buybacks for the duration of the coronavirus crisis
 - e. Commit to measures to redistribute unpaid care like shared parental leave and childcare policies
 - f. Make a commitment to fair pay and restrict the gap between the least and the most paid
 - g. Ensure pay auditing processes include gender and ethnicity pay gap reporting and commit to strategies to close any such gaps.
10. In addition, Government must conduct a meaningful Equality Impact Assessment of all business support programmes and must publish the findings.

Should the Treasury be directly funding Green infrastructure as part of its Coronavirus spending package?

11. Significant infrastructure investment will be needed to decarbonise after Coronavirus. This must include not only investment in physical infrastructure, but also social infrastructure including health, social care, childcare and education services.

Green *Social* Infrastructure

12. The stimulus package for recovery from Covid-19 must include a focus on care including healthcare, adult social care, care and independent living for disabled people and childcare. These sectors were underfunded before Covid-19, but the pandemic has exposed and exacerbated shortfalls in both the quality and quantity of care available. Since women are the majority of those in need of care, the majority of those working in the care sector, and the majority of those providing unpaid this is also a matter of gender equality.
 - a. A new settlement for the social care sector cannot be delayed any further: underfunding, precarity, low pay and lack of regulation in the adult social care sector are partly to blame for the number of excess deaths from Coronavirus. WBG calls for sustainably funded Universal Care Service with a highly trained, well-paid workforce providing high quality care to all who need it.
 - b. Universal free childcare is needed to prevent attainment gaps widening further for children and, limiting parent's ability to return to offices. It would also help protect against the danger of a two-tier return to work whereby women are restricted from returning to work at the same time as men by childcare shortages. This should be accompanied by a new system of genuinely shared parental leave.

- c. Those working in care, health and education must be recognised for their enormous contribution to society that pre-dates Covid-19. Their pay and employment security must be a first priority.
13. Simulation modelling by WBG members shows³ the economic and environmental benefits of investing in care to aid recovery: **investment of 2.8% of GDP in a combination of child and social care would create nearly 2 million jobs, 2.7 times as many jobs as an equivalent investment in construction. 6.3 times as many jobs for women and 1.1 times as many for men.** This would increase the employment rate by 4.8% points and reduce the gender employment by 4% points. Investment in construction, unless mitigating measures to combat gender segregation in the industry were put in place, would increase the gender employment gap. To reach 10% of the population employed in the combined care sectors (roughly the proportions of Denmark and Sweden), a 4.3 %-point increase in the numbers employed there would be needed⁴.
14. Providing free universal childcare for all 3.1m children (40 hours a week for 48 weeks a year), would require an initial investment in 2018 prices of between £39bn (1.8% GDP) and £58bn (2.7% of GDP) - depending on the wages of childcare workers. This would create between 1.4 million and 1.5 million full-time equivalent jobs, raising women's employment rate by between 5.6 and 5.9 percentage points. **Direct and indirect taxation on income and consumption has the potential to recoup between 76% and 72% of this annual investment leaving between £9bn and £16bn net funding figure.** Funding is also recouped through the reduction of families claiming social security⁵.
15. These investments are also future proof: Eurostat data tell us that each job created by investment in care is only one third as polluting (in terms of GHG emissions) as each job created by investment in the construction industry⁶. **As a result, the total emissions from investing in care are lower, at 85% of those of an equivalent investment in construction, even though each pound invested in care produces nearly three times as many jobs.** Investment in social infrastructure is environmentally preferable as well as better at creating jobs and promoting equality.

Inclusive Green *Physical* Infrastructure

16. Investment in the physical infrastructure required to decarbonise must consider women's needs and patterns of behaviour. The different ways which different groups of women and men use physical infrastructure must be taken account of in every stage of design and building so that gender equality is central to the green recovery. For example, investment in green local buses that cover shorter distances, are cheaper and often allow people to 'trip-chain' more easily has a better chance of improving women's lives than spending on the more expensive, long-distance rail network⁷.
17. It is crucial that policies to tackle the climate emergency do not increase women's share of unpaid labour. To help with this, collective solutions that reduce unpaid labour should be developed: for

³ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

⁴ De Henau, J. and Himmelweit, S. (2020) Stimulating OECD economies post-Covid by investing in care <http://www.open.ac.uk/ikd/publications/working-papers/85>

⁵ 3 De Henau, J. (2019) 'Employment and fiscal effects of investing in universal childcare: a macro-micro simulation analysis for the UK', IKD Working Paper No. 83, March (<https://bit.ly/2C8E8vQ>) All figures updated for 2018. Figures are not simply higher compared to 2014 because the child population is slightly lower but also teacher pay rise was slightly less than inflation while GDP and living wages have increased, so differential between the two scenarios is less than in 2014.

⁶ Calculations by Jerome De Henau for WBG, using Eurostat data <https://ec.europa.eu/eurostat/data/database>

⁷ <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-public-transport-and-gender/>

example, reusable nappies are better for the planet, but take more time to reuse and wash, so efforts to promote reusable nappies could be accompanied by establishing local cooperative laundry services to create well-paid secure jobs and reduce unpaid work.

18. New housing and residential developments ought to provide collective services wherever possible to enable greater sharing and cooperation (as found for example in some co-housing schemes). Such schemes reduce the amount of domestic work required in private households at the same time as reducing resource consumption and environmental impacts.
19. All consultations on green recovery investment should take place at family-friendly times with childcare available, as well as local women's civil society organisations being actively consulted and collecting data on gendered space use. The impacts of all such schemes on people's ability to care should be routinely considered along with their gender equality impact.
20. Investment in decarbonisation infrastructure should be accompanied by action to reduce occupational segregation and enable women to take advantage of the new green jobs created. We must not see a replication of inequalities of pay, seniority and roles in the design of these new green jobs. This is particularly for construction jobs. Currently just 12% of construction workers are women and 5.4% are Black, Asian or ethnic minorities⁸. It's crucial that new green sectors train, employ and retain women and ethnic minority workers so that they can benefit from investment in green physical infrastructure. A good example of this occurred during the construction of the Olympic 2012 sites⁹.
21. At the same time, efforts must be made to encourage more men into jobs in the sectors where women currently predominate such as education, health and care, by increasing pay, and improving job security and career prospects, which would also help close the gender pay gap.
22. Education and training also have a role in ending such occupational segregation. This requires funding for programmes in schools, universities and vocational education to support women and girls, especially those from disadvantaged backgrounds, into STEM roles, including green ones, and men into more caring roles, through training and apprenticeships. This should be accompanied by financial support, including subsidised training and paid education leave, to support women, low-income and BAME people to access training and development programmes and give more people access to high-skilled work in the new green economy.
23. Prior to the pandemic women were doing 60% more unpaid work than men, which limited their time for paid work. Employment strategies must include policies redistribute this unpaid labour. Investment in childcare and social care as set out above will be crucial for this. It also requires genuinely shared parental leave policies whereby well-paid, individual, non-transferable entitlements are available for each parent¹⁰, and is also available for other types of care.

Are there any green related policies that the Treasury should change or commence due to the Coronavirus in order to facilitate the transition to meeting Net Zero?

⁸ GMB (2020) Construction industry just 12.5% women and 5.4% BAME <https://www.gmb.org.uk/news/construction-industry-just-125-women-and-54-bame>

⁹ Construction.co.uk (2009) Women build Olympic win <https://www.construction.co.uk/construction-news/103861/women-build-olympic-win>

¹⁰ WBG (2020) Parental leave and pay <https://wbg.org.uk/wp-content/uploads/2020/03/WBG-Parental-leave-and-pay.pdf>

24. Above all, it is investment in social infrastructure where short term funding injections and long-term settlements are desperately needed. Many social care providers and childcare centres are now facing possible insolvency due to increased costs and decreased demand as a result of safety concerns. Even before the pandemic 1 in 7 older people had unmet care needs while only 57% of local authorities had enough childcare for parents working full time¹¹. Post-pandemic investment policies must include substantial investment in care if they are to be beneficial for the whole of society and create an economic recovery that improves people's quality of life, not just GDP.

In which ways will the new economy post-Coronavirus allow the Government to change the way it finances meeting the Net Zero Target?

25. In the short term, low interest rates and a need to stimulate demand make borrowing the best way to pay for the measures taken to combat the pandemic and the substantial investment required for the recovery programme.
26. In the long run, revenue for a greener fairer economy should be generated using progressive taxation which redistributes income and wealth, including between women and men. A fairer tax system is urgently needed and can be reformed in the meantime, but increasing the total revenue collected should wait until the economy has fully recovered (in its new, greener and fairer shape).
27. Such a fairer tax system would close tax loopholes, redistribute wealth between women and men and, hold transnational corporations to account for practices that exploit people and planet. Tax reforms should include: a fossil fuels tax for corporations, a financial transaction tax and reform of income and corporation tax in a more progressive direction. More detailed proposals for a fairer, gender-equal tax system can be found on WBG's website¹².

Are there outcomes from the Coronavirus that will enable the Treasury and HMRC to meet the Net Zero target more easily?

28. There are important lessons to learn from the pandemic which will ensure the UK economy reaches Net Zero sooner and in a way that promotes equality and wellbeing. These include:
29. *Care is a public good*: If we have learnt one thing from the pandemic it should be that care – adult social care for the elderly and/or disabled, healthcare and childcare – are the backbone of our society and vital to reaching Net Zero as well as other equality and wellbeing targets. The Government has encouraged people to 'clap for carers' each week while simultaneously presiding over the catastrophe in residential and domiciliary care, where there have been more than 30,000 excess deaths¹³. Care workers are twice as likely to die from Covid-19 than non-key workers¹⁴. It's now clear that the precarity, devaluation and low pay of care workers as well as the historic

¹¹ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

¹² Himmelweit, S. and Bennett, F. (2020) Taxation and social security <https://wbg.org.uk/wp-content/uploads/2020/03/tax-and-social-security-overview.pdf>; Palmer, R. (2020) Wealth, tax and gender <https://wbg.org.uk/wp-content/uploads/2020/03/tax-and-social-security-overview.pdf>

¹³ William, L. and Buisson. (2020) 34,000 older care home residents in England will have died from Covid-19 and collateral damage by the end of June, it is projected. *Care markets*. https://www.laingbuisson.com/wp-content/uploads/2020/06/Covid-story_v4.pdf

¹⁴ ONS (2020) Coronavirus (COVID-19) related deaths by occupation, England and Wales: deaths registered between 9 March and 25 May 2020 <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/bulletins/coronaviruscovid19relateddeathsbyoccupationenglandandwales/deathsregisteredbetween9marchand25may2020#women-and-deaths-involving-covid-19-by-occupation>

privatisation, financialisation and deregulation of the care sector is at least partly to blame for these fatal consequences¹⁵. A new settlement for social care which includes better pay, training and working conditions surely cannot be delayed any further. Polling suggests the pandemic has helped build political will for this much needed change: for example, polling by the Fawcett Society shows that 7 in 10 Conservative voters support a rise in income tax to fund social care¹⁶.

30. *Intervention is possible and desirable*: both the Coronavirus Job Retention (CJRS) or ‘furlough’ scheme and other initiatives aimed at slowing the spread of the virus, for example, the housing of homeless people, demonstrate that significant Government intervention in the economy is both possible and desirable. After nearly a decade of fiscal tightening which has disproportionately impacted women, especially Black, Asian and ethnic minority and disabled women¹⁷, the response to the pandemic has proven austerity to be a political decision, not an economic necessity. Recognising this is crucial to changing the narrative about public spending, which will be necessary if we are to improve the lives of women and minority groups¹⁸ as well as tackle the climate emergency. These levels of public spending ought to be replicated post-pandemic in pursuit of Net Zero. But we also need to go further to extend this logic beyond the pandemic to other departments including social security, local government and social care where austerity continues to be the norm. An end to austerity requires refinancing what has been lost, not simply stopping cuts.
31. *Flexible working is achievable*: the Coronavirus lockdown has surely made the case for flexible, remote and home working - even as it has also exposed the gendered tensions with childcare shortages and the enduring inequalities of unpaid work. Less commuting has also helped to reduce carbon emissions. Women and equality organisations have long called for flexible working to be written into law as a ‘day one right’ and this was effectively introduced during the Coronavirus lockdown. As the Government encourages people back to offices, there is an opportunity for it and employers to acknowledge the benefits of flexible remote working, not only to reduce the environmental costs of commuting, but to ease people’s lives especially of those with caring responsibilities and disabled people. Nonetheless, flexible working cannot be a substitute for universal affordable childcare and genuinely shared parental leave¹⁹.
32. Throughout the pandemic it has been reported by the IFS, ONS²⁰ and many private polls²¹ that women have taken on considerably more of the unpaid childcare and home schooling than men. The childcare sector is in crisis with a quarter of nurseries or 150,000 childcare places suggesting they might close within the year²² and the Government is now encouraging employers to force

¹⁵ WBG (2020) Coronavirus and the past, present and future of social care <https://wbg.org.uk/blog/coronavirus-and-the-past-present-and-future-of-social-care/>

¹⁶ The Fawcett Society (2020) The vast majority of the public think care workers are underpaid <https://www.fawcettsociety.org.uk/news/vast-majority-of-the-public-think-care-workers-are-underpaid>

¹⁷ WBG (2018) Intersecting inequalities <https://wbg.org.uk/analysis/intersecting-inequalities/>

¹⁸ Women are more likely to rely on social security and public services because they are more likely to have unpaid caring responsibilities.

¹⁹ For more information about both these policies, see WBG submission to a 2019 BEIS inquiry on shared parental leave WBG (2019) Parental leave and pay <https://wbg.org.uk/wp-content/uploads/2020/03/WBG-Parental-leave-and-pay.pdf>

²⁰ ONS (2020) Parenting in lockdown: Coronavirus and the effects on work-life balance <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/parentinginlockdowncoronavirusandtheeffectsonworklifebalance/2020-07-22>

²¹ IFS (2020) How are mothers and fathers coping under lockdown? <https://www.ifs.org.uk/publications/14860> and University of Cambridge (2020) Women bear brunt of coronavirus economic shutdown in UK and US. <https://www.cam.ac.uk/research/news/women-bear-brunt-of-coronavirus-economic-shutdown-in-uk-and-us>

²² The Guardian (2020) UK childcare industry crushed by Coronavirus crisis <https://www.theguardian.com/education/2020/apr/24/childcare-industry-crushed-by-coronavirus-crisis>

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workers back to offices, without ensuring childcare is available. A key lesson of the pandemic must be that flexible working is possible, sustainable and, can help those with unpaid care responsibilities, but needs to be backed up by affordable high-quality care provision.

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