

UK Women's Budget Group – Written Evidence (LBC0069)

Summary

- The UK Women's Budget Group believes that a care-led recovery from Coronavirus must be central to a just transition to a greener fairer more caring economy so that 'Life Beyond Covid' secures gender and other forms of equality.
- The pandemic has exposed the perilous state of care in the UK. The social care sector has been unable to protect those it cares for sufficiently to prevent a tragic death rate. Without specific investment, many parts of it and the childcare sector are unlikely to survive the next few months. This would set back equality for women, who are the ones more likely in practice to have their opportunities restricted by providing unpaid adult and childcare.
- To achieve a greener fairer economy the UK will need a significantly greater proportion of people employed in the care sector. 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 needed¹.
- Our research finds that investment in care, part of our social infrastructure, has the potential to create far more jobs than similar sized investment in physical infrastructure, such as construction. Unlike investment in construction, which would widen the gender employment gap, investment in care would narrow it while still providing more jobs for men. The jobs created by investment in care also produce far fewer GHG emissions, so even though there are many more of them, the GHG effect of spending on care is greener. Shifting employment into care is therefore an important help in responding to the climate emergency.
- There are many lessons to learn from the Covid-19 pandemic in order to build a greener fairer economy: 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.
- The pandemic has also revealed the precarity and low pay many key workers face, especially women, BAME women and disabled women. A greener fairer economy requires a new approach to whose work matters as well as improved pay, employment security, working conditions, childcare and flexibility.
- All forms of infrastructure developed, 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.
- Equality Impact Assessments of all projects will be necessary in building a greener fairer economy. They must take account of impacts on both care and unpaid work, and on the gender division of labour within them.

¹ 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>

Introduction

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.

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?*² In July 2020, we launched our *'Care-led Recovery from Coronavirus'*³ report. These documents inform this submission about how British society and everyday life might, and can, change in a post-Covid economy.

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. A greener fairer reset must have care, equality and justice at its centre, enrolling diverse voices in its development every step of the way.

WBG's main argument is that any recovery 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*. To respond to the climate emergency, we need to create an 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.

One of the lessons of the pandemic has been the recognition that care workers are undervalued key workers. A greener fairer economy needs far more care workers and needs to treat and pay them better. This requires a shift in the structure of employment away from more polluting jobs towards jobs in care, for which investment in our social infrastructure, not just in physical infrastructure, is needed. Analysis⁴ shows how investment in care would generate far more jobs than an equivalent investment in construction and be more climate friendly too. Investing in care would also have better effects on equality and wellbeing: reducing the gender employment gap rather than increasing it.

If our climate goals are to be achieved, caring for each other, rather than consuming more, must become central to our economy. Throughout this document, we refer to a **greener fairer caring economy** as the lens through which all proposals for life beyond Covid-19 should be assessed. We constantly need to ask: *what will this mean for people's ability to receive and to give good quality care? Will this improve people's wellbeing? What will this mean for fairness and equality, especially for the most marginalised women?*

²WBG (2020) Gender and the green new deal briefing <https://wbg.org.uk/analysis/uk-policy-briefings/gender-and-the-green-new-deal/>

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

⁴ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

PART 1: Coronavirus in the UK, what went so badly wrong?

The UK Women's Budget Group has been clear from the outset that the Covid-19 crisis *collides* with pre-existing crises of austerity and inequality⁵. These crises are linked because women, especially Black, Asian and ethnic minority⁶ and disabled women⁷ - as a result of their unpaid caring roles and consequent reliance on public services and social security - have been disproportionately impacted by cuts to public expenditure.

Public service cuts

Social care, healthcare, social security, and local government have all had their budgets cut in the last decade⁸, leaving services and staff depleted and unready for the unprecedented challenge faced by Coronavirus. For example, underfunding in the social care sector meant zero-hour contracts are widely used, with residential and domiciliary care workers going between many care homes and home visits each day, increasing their risk of spreading disease. Fear of a shortage of hospital beds led to the decision not to test older people before discharging them from hospital to care homes. These factors, a result of austerity, have been blamed for the thousands of excess deaths in care homes.

Local authorities have had 60 pence in every pound of central government funding cut since 2010⁹ limiting their ability to be able to meet their statutory duties and forcing the closure of childcare, domestic abuse refuges, youth centres, housing association and other community services¹⁰. The decision to cut central government grants, leaving local authorities dependent on council tax and business rates, has significantly increased regional inequality and left many places in the UK unprepared to deal with this crisis. Those in deprived areas of the UK have been hit twice as hard by virus deaths¹¹.

Privatisation

The increasing reliance on private sector providers has limited the effectiveness and speed on the response to Covid-19. This is true not only of those contracted directly to respond to Covid-19, but also applied to pre-pandemic preparations. In particular, the privatised social care sector did not have in place any of the pandemic preparations that could be expected of the public sector. Competitive practices of profit-making businesses in a labour-intensive sector, such as the care sector, inevitably leads to pressures on working time and pay, resulting in poor quality care and poor-quality working conditions.

⁵ WBG (2020) Crises Collide: Covid-19 and women <https://wbg.org.uk/analysis/uk-policy-briefings/crises-collide-women-and-covid-19/>

⁶ WBG (2018) Intersecting inequalities <https://wbg.org.uk/analysis/intersecting-inequalities/>

⁷ WBG (2018) Disabled women and austerity <https://wbg.org.uk/wp-content/uploads/2018/10/Disabled-women-October-2018-w-cover-2.pdf>

⁸ For more detail on cuts see WBG's pre-budget briefings <https://wbg.org.uk/analysis/uk-policy-briefings/2020-wbg-briefings/>

¹⁰ WBG (2019) Triple whammy: the impact of local government cuts on women <https://wbg.org.uk/analysis/reports/triple-whammy-the-impact-of-local-government-cuts-on-women/>

¹¹ ONS (2020) Deaths involving COVID-19 by local area and deprivation <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/deathsinvolvingcovid19bylocalareaanddeprivation>

These pressures can only be addressed by developing a National Care Service, funded by central government but delivering services locally in innovative ways involving care recipients and care workers in their design.

Inequalities

Coronavirus has exposed the deep-seated economic inequalities in the British society and how they translate into public health crises. Although men and ethnic minority communities are more likely to die from the virus, specific groups of women are at increased risk, especially from the economic impact. In the midst of lockdown we also saw one of the biggest social uprisings about racial injustice in British history. We now know that the virus has killed significantly more Black people, as well as causing proportionally more deaths amongst Asian and other ethnic minority communities¹². The ONS has now found that disabled women are eleven times more likely than non-disabled women to die from Covid-19¹³. These health inequalities are, at least in part, the result of economic and social inequalities, including in work, pay, housing, food security, air quality and caring responsibilities.

Governance and representation

There has been limited representation of women, especially ethnic minority or disabled women, in the UK Government decision making bodies and very few women in Boris Johnson's cabinet who are directly dealing with the pandemic¹⁴. This could be a reason for the omission of care, especially childcare, in plans to 'reopen the economy'. This omission will continue to have consequences for women and gender equality in the UK as people are forced to return to work before schools and childcare centres are able to operate as normal.

Additionally, the Government has refused many requests, including from the Women and Equalities Select Committee Chair, to publish their equality impact assessments of pandemic policy. This makes accountability impossible and brings into question the Government's gender-assessment capabilities. As above, care and especially the unequal division of unpaid care has been poorly taken account of throughout the pandemic to the detriment of gender equality. Comprehensive and meaningful equality impact assessments could have avoided this.

Most decisions about Coronavirus strategy have been made centrally. However, the slowness of subsequent local lockdowns has demonstrated the benefits of devolved community decision making and information sharing. Such decentralisation should be an important part of a greener fairer economy but only if balanced with significant redistribution through central financing of local government.

¹² The Guardian (2020) Black people four times more likely to die from Covid-19 ONS finds <https://www.theguardian.com/world/2020/may/07/black-people-four-times-more-likely-to-die-from-covid-19-ons-finds>

¹³ ONS (2020) Coronavirus (COVID-19) related deaths by disability status, England and Wales <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/coronavirusrelateddeathsbydisabilitystatusenglandandwales/2marchto15may2020>

¹⁴ The Guardian (2020) 'A Boys Club' Boris Johnson accused of running a blokey government <https://www.theguardian.com/politics/2020/jul/11/its-a-boys-club-johnson-accused-of-running-blokey-government>

PART 2: Lessons from the pandemic

The Government's response to Covid-19 has been mixed but there have been some important lessons learned and some policies that could be replicated beyond the pandemic to promote gender and other forms of equality. Action to tackle these inequalities will require significant investment in: increased pay and working conditions for key workers, especially health and care workers; local government services and social security; safe, green and affordable housing as well as much broader action to tackle racism and the climate emergency. There are plenty of lessons to be learned from the Coronavirus pandemic:

Intervention is possible and desirable

Firstly, 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 women¹⁵, 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 groups¹⁶ as well as tackle the climate emergency.

One lesson learnt from Covid-19 is that we can replicate higher levels of Government spending. Public spending is needed to invest in an economic recovery, green jobs and improve our public health infrastructure. 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.

Flexible working is achievable

Secondly, 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. 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 leave¹⁷.

Throughout the pandemic it has been reported by the IFS, ONS¹⁸ and many private polls¹⁹ that women have taken on considerably more of the unpaid childcare and home

¹⁵ WBG (2018) Intersecting inequalities <https://wbg.org.uk/analysis/intersecting-inequalities/>

¹⁶ Women are more likely to rely on social security and public services because they are more likely to have unpaid caring responsibilities.

¹⁷ 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>

¹⁸ 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>

¹⁹ IFS (2020) How are mothers and fathers coping under lockdown?

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 year²⁰ and the Government is now encouraging employers to force workers back to offices, without ensuring childcare is available. A key lesson of the pandemic must be that flexible working is possible, and can help those with unpaid care responsibilities, but needs to be backed up by affordable high-quality care provision.

The value of key work

Coronavirus has arguably demonstrated that how we value work needs to change. Those who have kept society going have been dubbed 'key workers' and include bus drivers, supermarket workers and care workers. Women are twice as likely to be key workers as men²¹ whilst 39% of working mothers are key workers compared with just 27% of the working population as a whole²² while BAME and migrant women are overrepresented²³. They are overwhelmingly low paid and insecure work including zero hours contracting is rife²⁴. One benefit of this group of workers being singled out is that it makes their exploitation and precarity visible and challenges ideas about what (and whose) work matters. As part of a greener fairer caring economy we need to translate this revaluation into improved pay, rights and working conditions for key workers, especially health and care workers.

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. 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 deaths²⁵. Care workers are twice as likely to die from Covid-19 than non-key workers²⁶. It's now clear that the precarity, devaluation and low pay of care workers as well as the historic privatisation, financialisation and deregulation of the care sector is at least partly to blame for these fatal consequences²⁷. 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,

<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>

²⁰ The Guardian (2020) UK childcare industry crushed by Coronavirus crisis

<https://www.theguardian.com/education/2020/apr/24/childcare-industry-crushed-by-coronavirus-crisis>

²² The Resolution Foundation (2020) Risky business

<https://www.resolutionfoundation.org/publications/risky-business/>

²³ WBG (2020) Unequal impact: the gendered economic impact of Covid-19

<https://wbg.org.uk/analysis/consultation-responses/submission-coronavirus-and-the-gendered-economic-impact/>

²⁴ The Resolution Foundation (2020) Risky business

<https://www.resolutionfoundation.org/publications/risky-business/>

²⁵ 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

²⁶ 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>

²⁷ 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/>

polling by the Fawcett Society shows that 7 in 10 Conservative voters support a rise in income tax to fund social care²⁸.

Infrastructure isn't just roads and rails

The Government has demonstrated that economic intervention is possible and necessary to mitigate the worst economic effects of the pandemic. It is now starting to make the case for investment in infrastructure as key to creating jobs and a post-pandemic recovery. This is a positive divergence from policies of the past decade. However, spending priorities are misguided: the ambition to 'build build build' is a crucial acknowledgement that investment is central to economic recovery, but it neglects both the climate emergency and gender inequality. Of course, green energy, transport and housing will be required for a greener fairer economy, but investing only in construction of physical infrastructure risks sustaining gendered segregation in the labour market where just 12% of construction workers are women,²⁹ unless specific measures are taken to ensure that the majority of such construction jobs go to women.

But 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 time³⁰. 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.

We all need social security sometimes

The economic fallout from Covid-19 is only just beginning; yet there are many reports of widespread job losses, increases in social security claims and an 89% increase in food bank usage (more for families with children)³¹. This last figure in part demonstrates that Universal Credit is failing to protect people from poverty and destitution. This failure pre-dates Covid-19, since we know that both in-work and child poverty have increased since the system was introduced³². The Coronavirus crisis also presents a moment to reconfigure the British public's approach to social security since many people who may never have imagined themselves doing so are now relying on social protection of one form or another, whether it be the job retention scheme (CJRS), self-employment support payments (SEISS), Jobseeker's Allowance or Universal Credit. For too long the 'skiver' and 'scrounger' narratives have dominated the conversation to demonise those claiming benefits; but the Government must ensure that people remember that the social security system is a universal protection

²⁸ 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>

²⁹ 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>

³⁰ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

³¹ The Trussell Trust (2020) Press release: UK food banks report busiest month ever <https://www.trusselltrust.org/category/press-releases/#:~:text=The%20Trussell%20Trust%20reports%20a,the%20same%20period%20last%20year>

³² The Joseph Rowntree Foundation (2020) What has driven the rise of in-work poverty? <https://www.jrf.org.uk/report/what-has-driven-rise-work-poverty#:~:text=As%20a%20society%20we%20believe,workers%20now%20live%20in%20poverty.&text=Over%20the%20last%20five%20years,low%20growth%20in%20their%20earnings.>

against risk that everyone might need to use to some point. This could spur on political will for the much-needed overhaul of the system outlined below.

PART 3: Policies for 'Life Beyond Covid'

A Care-led Recovery

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 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 is partly to blame for the number of excess deaths from Coronavirus. WBG calls for sustainably funded National Care Service with a highly trained, well-paid workforce providing high quality care to all who need it.
- Universal free childcare is needed to prevent attainment gaps widening further for children. 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 shared parental leave.
- 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.

Simulation modelling by WBG members shows³³ 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.

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 security³⁴.

³³ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

³⁴ 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.

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 industry³⁵. 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 physical infrastructure

Investment in the physical infrastructure required to deliver a greener economy 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 network³⁶.

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 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.

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.

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.

Greener fairer jobs

Investment in the greener fairer caring economy 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 minorities³⁷. 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 sites³⁸.

³⁵ Calculations by Jerome De Henau for WBG, using Eurostat data

<https://ec.europa.eu/eurostat/data/database>

³⁶ <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-public-transport-and-gender/>

³⁷ 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>

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.

For all sectors of new investment, there will also be a need to recruit and reskill workers diverted from sectors that have been hardest hit such as aviation and hospitality or, those whose jobs are at risk through automation. This will require providing subsidies or other incentives (including paid education leave) to support access to training and development programmes and give more people, especially for women and people from low-income and BAME backgrounds, access to high-skilled work.

Specific training programmes should be designed to rectify existing occupational segregation and labour market inequalities. This will be particularly important for projects in the construction industry, which will risk exacerbating the gender employment gap, unless mitigating measures are put in place to recruit a majority of women.

Education also has 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.

Redistributing unpaid care

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 parent³⁹, as well as policies outlined above like flexible working. Increases to paid Carers' Leave and Carers' Allowance are also key to allow people but especially women to care and work without suffering financial penalties.

Redistributing wealth

Redistributing wealth must be a central component of a greener, fairer economy, reducing gender and other inequalities (men, especially white men, have more wealth and financial assets than women due to the historic gender pay gap⁴⁰). Taxation is central to this, as below. More detailed proposals for a fairer, gender-equal tax system can be found on WBG's website⁴¹.

³⁸ Construction.co.uk (2009) Women build Olympic win <https://www.construction.co.uk/construction-news/103861/women-build-olympic-win>

³⁹ WBG (2020) Parental leave and pay <https://wbg.org.uk/wp-content/uploads/2020/03/WBG-Parental-leave-and-pay.pdf>

⁴⁰ WBG (2019) Taxation and gender <https://wbg.org.uk/commission/inputs-to-the-commission/policy-papers-social-security-and-taxation/>

Additionally, proposals including Universal Basic Income (UBI) or a Minimum Income Guarantee (MIH), a shorter working week or maximum pay ratios also have potential to rectify inequalities of gender and race, but there are also risks that UBI/MIH and 30 hour working weeks might exacerbate the unequal division of unpaid labour. These measures cannot stand alone without investment in childcare, genuinely shared parental leave and other measures to redistribute unpaid care work.

A similarly optimistic yet cautious approach should be taken to adopting a wellbeing economy approach. There are opportunities for such an approach to rectify inequalities in the British economy but the broad nature of the term “well-being” risks shrouding key problems like unpaid care and gender-based violence⁴².

WBG calls for more research to be done into the impact of any of these policies on gender equality before they are implemented as the backbones of ‘Life Beyond Covid’. The final report of WBG’s Commission on a Gender-Equal Economy⁴³ will take a closer look at some of these proposals and will hopefully be of interest to the APPG.

Social security reform

At this time especially, the society security system should be a system of contributory non-means-tested benefits so that people who lose their jobs have their individual right to social security. Universal Credit has failed to protect people from poverty and destitution during the pandemic. But the pandemic has also shown that intervention in the economy at times of difficulty is both necessary and desirable. It is time for an alternative.

In the short term, the Government must:

- Raise the level of universal credit and uprate legacy benefits to match
- Increase the level of local housing allowance to match 50% of median rents locally
- Abolish the two-child limit (which disproportionately disadvantages BAME families since they are more likely to have more than two children⁴⁴.)
- Address the high taper rate which creates disincentives to work for second earners (mainly women)
- End the 5-week wait for Universal Credit
- Introduce separate payments of Universal Credit by default
- Remove punitive sanctions and conditionality.
- Abolish ‘no recourse to public funds’ (NRPF) conditionality which forces migrant people into poverty and destitution.
- Abolish the eligibility floor for statutory sick pay and increase it to the real Living Wage.

In the longer term a better system is needed:

⁴¹ 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>

⁴² You can read more about gender equality and wellbeing in this paper, written for WBG’s Commission on a Gender-Equal Economy Trebeck, K (2020) Supporting but not synonymous: a wellbeing economy and a gender equal economy <https://wbg.org.uk/wp-content/uploads/2020/06/Supporting-but-not-synonymous.pdf>

⁴³ WBG (2020) Commission on a Gender-Equal Economy <https://wbg.org.uk/commission/>

⁴⁴ WBG (2018) Intersecting inequalities: the impact of austerity on BME women <https://wbg.org.uk/analysis/intersecting-inequalities/>

- There is an opportunity to galvanise the understanding that social security can be a universal system to protect against risk that could be needed by everyone at some point.
- WBG argues for a non-means tested social security system as far as possible, in part because this can be used to provide individually based benefits more easily than means-tested systems. Benefits designed to pay for additional costs, such as those for children and disability, should be universal as far as possible, because these additional costs affect anyone in these situations, regardless of their income level; the better off should pay more in taxation, but this applies to everyone, and should not just affect those with children or disabilities.
- It is important that people are treated with dignity and respect by the social security system. Sanctions undermine this. There has always been conditionality of some sort in the UK's social security system; but claimants should be involved in designing a new system and it must take account of caring responsibilities and gender dynamics between individuals.
- Recognising the ways in which we are all "interdependent" is key to developing a social security system that enables us all to meet our potential.
- The system of payments for disabled people should be focused on improving provisions for independent living which improve the capabilities of both disabled people and the staff employed to work with them. Such support should also be provided by better public services, together with non-means-tested payments that recognise the true additional costs of disability, on the one hand, and by income replacement where needed, on the other.
- To make the social security system work for families with and without children, free childcare needs to be decoupled from paid employment. The 30 hours of free childcare for 3- and 4-year-olds should be built on. High quality childcare should be provided and seen as a right for children, not a cash subsidy to their parents.

Diverse political representation

Governments whose make up is more diverse and representative of the public make better decisions that serve the interests of more people. Yet, the decision-making bodies of the UK Government at both national and local level remain overwhelming male and white. Dramatic changes including the use of all-women/BAME shortlists and quotas, as well as childcare for all candidates and representatives, is needed to rectify this situation if a greener fairer care-led economy is to be delivered.

Diversifying the Government so that it is more representative of the population is just the first step. Inclusive participation and community democracy should also be central to localising power and resources in the greener and fairer economy. This can be done by: promoting economic, ecological and carbon education in schools as well as through the media; requiring all consultation on environmental policies to include civil society including women and minority groups; experimenting with different models of consultation including citizens' assemblies; supporting new forms of ownership such as cooperatives and community-owned enterprises; and ensuring that women are engaged in all these processes.

PART 4: How to pay for 'Life Beyond Covid'

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. 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).

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.

Tax reform to generate investment revenue and decrease gender inequalities of wealth:

- Reintroduce genuine independent taxation of income, by **abolishing the marriage allowance and the high-income child benefit tax charge**
- Consider **abolishing the personal tax allowance to fund a small cash payment to all adults** – which would not avoid the need to think about the amount and structure of other benefits
- **Equalise capital gains tax rates with income tax** and remove the separate CGT allowance. At the same time the government should **scrap Entrepreneurs Relief**. IPPR estimate that this could raise £90bn over five years.⁴⁵ The **CGT forgiveness at death should be removed**. This approach would reduce the current favourable tax status afforded to capital gains, which benefits men over women, and it would increase government resources to spend on public services. Polling by YouGov for Oxfam and Tax Justice UK showed that this approach is overwhelmingly **popular** with the public⁴⁶.
- **Tax dividend income at the same rate as income from work and remove the separate dividend allowance**. IPPR estimate that this could raise £26bn over five years based on the current income tax schedule.⁴⁷ This would reduce gender inequality in disposable incomes, as well as provide more resources to spend on public services.
- **Introduce a financial transaction tax**. Estimates from the former head of derivatives trading at the London Stock Exchange are that this could raise £6.8bn a year and help to stabilise the economic system.⁴⁸ This would benefit women as it would provide more resources for government spending and help reduce the current low tax approach to share transactions.
- **Turn inheritance tax into a progressive tax on lifetime gifts taxed at income tax rates and limit reliefs**. This would help change the perspective of inheritance tax into one that was levied on lucky recipients, as opposed to someone who has just died. Such a tax would close off avenues for avoidance and would allow lower rates for basic rate taxpayers, making it harder to argue that inheritance tax is swingeing in its level. This approach would also have the effect of encouraging estates to be distributed among a larger number and less wealthy beneficiaries, and thus helping to disincentivise the remaining gender

⁴⁵IPPR (2019) Just Tax <https://www.ippr.org/files/2019-09/just-tax-sept19.pdf>

⁴⁶ Tax Justice Network UK (2020) Voters agree low tax lifestyles enjoyed by the wealthy need to stop <https://www.taxjustice.uk/blog/voters-agree-low-tax-lifestyles-enjoyed-by-the-wealthy-need-to-stop>

⁴⁷ IPPR (2019) Reforming the taxation of dividends <https://www.ippr.org/files/2019-11/reforming-the-taxation-of-dividends-nov19.pdf>

⁴⁸ PEF (2019) Making the UK a citadel of long term finance <https://progressiveeconomyforum.com/events/making-the-uk-a-citadel-of-long-term-finance/>

bias in current practices. The Resolution Foundation estimate that this change could raise £4.8bn a year.⁴⁹

- Replace council tax with a **proportional property tax levied on the property owner**, and **once this has been implemented, scrap stamp duty**. Replacing these two taxes with a proportional property tax would be more progressive and would bring in much needed revenues for cash-strapped local authorities. The Resolution Foundation estimate that this could raise £4.2bn a year.⁵⁰ It would be important to ensure that the new system didn't disadvantage women, for example by not penalising lone parents or single pensioners, who are most likely to be women.
- Reverse some of the recent cuts to corporation tax and **bring the rate back up to 24%**. In addition, the current approach to taxing multinational companies should be replaced with a **unitary system of taxation** where the profits allocated to the UK are based on a formula using UK sales, staff and assets. This would close down options for avoidance and create a simpler system to implement. Economists estimate that this could raise a further £6bn a year.⁵¹

PART 5: 'Life Beyond Covid' around the world

WBG is primarily a national organisation. We make the following recommendations for 'Life Beyond Covid' that will work for women globally:

- Make socio-economic equality (of gender, race, disability etc.) a key goal of any (green) new deal framework and enrolling feminist thinkers in co-creation of planning and policy.
- Work to abolish violence against women and girls as well as supporting victims/survivors with sustainably funded services, including those by and for BAME women.
- Promoting a culture shift towards valuing care as foundational to the environment and economy.
- End the hostile environment in the UK, including rethinking the new Immigration Bill, abolishing the No Recourse to Public Funds condition and ending information exchange between public bodies and the Home Office.
- Promote fair tax policies which close tax loopholes, redistribute wealth between women and men and, hold transnational corporations to account for practices that exploit people and planet. This should include: a fossil fuels tax for corporations, a financial transaction tax and reform of income and corporation tax in a more progressive direction.
- Protect human rights including sexual and reproductive rights in the UK and globally.
- Promote trade justice within all global supply chains including those dominated by women
- Transform food supply chains to enable socially just and environmentally sustainable food production, distribution and consumption.
- Balance recommendations for greater food self-reliance with recognition of the gendered, unpaid and low-paid labour involved in producing and providing food.

⁴⁹Resolution Foundation (2018) Passing on: options for reforming inheritance tax <https://www.resolutionfoundation.org/app/uploads/2018/05/IC-inheritance-tax.pdf>

⁵⁰ Resolution Foundation (2018) Home Affairs: options for reforming property taxation <https://www.resolutionfoundation.org/app/uploads/2018/03/Council-tax-IC.pdf>

⁵¹Public Services International (2019) Taxing multinationals: a new approach <https://publicservices.international/resources/publications/taxing-multinationals-a-new-approach?id=10364&lang=en>

- Support and developing sustainable small businesses that save time and reduce domestic work through mass preparation and distribution of locally grown food.

International trade justice

As the United Kingdom seeks to renegotiate its international trading agreements on departure of the European Union, it is essential that an international (Green) New Deal takes account of the significance of trade deals in structuring social justice and equality. The threat of 'no deal' will put the UK in a significantly weakened negotiating position and risks backsliding on human rights, environmental and labour protections.

Modern trade agreements have expanded beyond managing barriers to trade at the border and can also have significant impacts on the domestic regulatory powers of governments. As well as trade in goods they also cover trade in services, investment protection, government procurement, intellectual property rights and e-commerce. Trade agreements may also create obligations on states including regulation of consumer and environmental standards, labour standards and human rights. They are therefore essential to a greener fairer economy.

Trade has gendered impacts which can be both positive and negative for equality. This is a consequence (and sometimes a cause) of underlying patterns of inequality between women and men. The gendered effects of changing patterns of trade vary significantly by country and depend on the social and economic context, stage of development and position of women. These impacts may affect employment opportunities, conditions of work, access to and cost of food and other basic goods and access to public services.

An increasing number of trade agreements include gender chapters and chapters covering labour and environmental standards. These are generally limited in scope with weak mechanisms for enforcement or to ensure participation by affected groups. In order to ensure trade policies are gender equitable it is important to:

- Assess the likely impact of trade deals on equality and human rights and monitor actual impact over time to address adverse impacts
- Provide targeted support for groups most badly affected
- Include clauses to allow governments to amend trade agreements when justified to address negative social impacts
- Include provisions to enable governments to exclude vital public services
- Revise investor protection provisions: end ISDS and other barriers to environmental and equality action in trade agreements.

Final remarks

In September 2020, the UK Women's Budget Group (WBG) will launch the final report of our [Commission for a Gender-Equal Economy](#) which will contain even more detail about our vision of a caring economy and how to get there. This will mirror many of the themes the 'Life Beyond Covid' inquiry seeks to uncover and WBG hopes we can engage the Committee in this pivotal report in addition to the evidence submitted above.

29 July 2020