

## UK Women's Budget Group submission

### Labour Party 'Green Recovery' consultation

June 2020

**The UK Women's Budget Group (WBG)** is an independent network of leading academic researchers, policy experts and campaigners that analyses the gender impact of economic policy on different groups of women and men and, promotes alternatives 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? The paper is available to read [here](#)<sup>1</sup> and informs this submission. We have only answered the questions within the scope of our work.

Covid-19 has exposed and exacerbated deep inequalities of wealth, gender, race and disability as well as how unready we are for the climate crises still to come unless drastic action is taken to protect people and planet. The green recovery must have equality and justice at its centre, enrolling diverse voices every step of the way.

***1. What sectors do you believe are the priorities for investment from government, for a green recovery programme to build a stronger, more resilient future economy? How can this investment reduce regional inequalities as well as address the climate crisis and environmental degradation? And what science and technologies do we need to invest in?***

*Investment in the care sector is central to the green recovery programme.*

A care-led recovery and a green recovery are not exclusive, they must necessarily come together. Green physical infrastructure including housing, energy and transport will be central to transitioning to a green economy but investment in social infrastructure is equally as important to reduce regional inequalities and address the climate crisis. It also has benefits for a healthier, better educated and happier population. This infrastructure already exists but is underfunded and underregulated: decades of financial neglect in the social care sector has been in part to blame for excess Covid-19 deaths due to precarious working conditions and lack of funding for PPE, whilst the childcare crisis will set back the current Covid-19 recovery trajectory if women cannot return to work due to lack of full time childcare<sup>2</sup>.

Dramatic investment and reform are needed to improve the quality and quantity of services available as well as the working conditions of staff and management of the sector. This will help create greater resilience in our public services so that the green transition leaves no one behind.

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

<sup>2</sup> WBG (2020) Response to the government's Covid-19 recovery roadmap <https://wbg.org.uk/analysis/uk-policy-briefings/response-to-the-governments-covid-19-recovery-roadmap/>

Investing in care including a National Care Service with provisions for independent living and free universal childcare has the benefits of:

- 1) creating low carbon jobs which help move towards a green economy;
- 2) therefore generating tax revenue to be invested in green physical and social infrastructure;
- 3) working towards gender equality by freeing women up to enter the labour market and;
- 4) providing care to those who need it and improving children's educational and social outcomes.

It would also help close regional inequalities since the move to funding local authorities primarily via local taxes like business rates and council tax has entrenched inequalities in quality and availability of care services<sup>3</sup>.

Eurostat data suggests that the care industry is 30% less polluting (in terms of GHG emissions) than the construction industry and, the education industry is 62% less polluting than the construction industry<sup>4</sup>. **Investment in social infrastructure is economically, environmentally and equality sound.** Below, we set out costings and calculations for these investments:

#### *Free Universal Childcare*

High quality universal free childcare is a form of social infrastructure integral to the productivity of the economy and wellbeing of families. A lack of good quality affordable childcare is hindering the ability of women in particular to participate in the paid economy. Childcare costs the average couple 30%<sup>5</sup> of their monthly income and only 56%<sup>6</sup> of local authorities have enough childcare hours to keep up with demand. Due to mishandling of the sector during the Covid-19 pandemic, a quarter of nurseries report that they may not financially survive the year, with an estimated 150,000 childcare places at risk<sup>7</sup>. This contributes to gender inequalities as well as economic inefficiency. It will inhibit any recovery, green or otherwise.

Public investment in a system of high quality, free universal early education and childcare provided to all children in the UK between the age of 6 months and primary school by qualified staff would have long-term benefits for children, parents and the economy.

Research by WBG member, Dr Jerome De Henau<sup>8</sup> finds that most of the initial investment required has the potential to be recouped quickly through additional tax revenue generated by additional jobs created and less spending on social security. 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 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**

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<sup>3</sup> 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/>

<sup>4</sup> WBG calculations from Eurostat data <https://ec.europa.eu/eurostat/data/database>

<sup>5</sup> WBG (2019) Childcare policy brief <https://wbg.org.uk/wp-content/uploads/2019/10/CHILDCARE-2019.pdf>

<sup>6</sup> WBG (2019) Childcare policy brief <https://wbg.org.uk/wp-content/uploads/2019/10/CHILDCARE-2019.pdf>

<sup>7</sup> Coram Family and Childcare (2020) Childcare Survey 2020 (<https://bit.ly/2MASdrg>)

<sup>8</sup> 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.

**investment** leaving between £9bn and £16bn net funding figure. Funding is also recouped through the reduction of families claiming social security.

#### *Adult social care*

The Covid-19 crisis has exposed and exacerbated the crisis in social care; a new settlement for the sector and its workers is needed as part of the green recovery. Care jobs are relatively low carbon. In the short term, restoring local government funding is integral to meeting huge demands for social care in the elderly, disabled and vulnerable as well as allocating emergency funds. As women make up the majority of paid and unpaid carers as well as those requiring social care, it is also a matter of gender equality<sup>9</sup>.

Investment in social care and childcare would be another form of social infrastructure investment to create millions of jobs and reap millions in tax revenue without harming the planet. **Investment of 2% of GDP in the care sector would create 1.4 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<sup>10</sup> therefore significantly increasing women's employment. The gender gap in employment would also be reduced by investment in care, but increased by investment in construction, unless mitigating measures to combat gender segregation in the industry were put in place.

Solving the social care crisis with free personal care for the elderly and independent living provisions for disabled people would also help meet enormous demand for care without forcing women out of the workplace therefore bringing more of the workforce into the paid economy and redistributing the burden of women's unpaid labour.

#### *Encouraging men to take on more unpaid care work is also essential:*

Care does not just take place in the paid economy. Women do 60% more unpaid work than men, which damages them in the paid economy. Therefore a green and care-led recovery must also prioritise the redistribution of unpaid care by:

- Encouraging a reduction in the working week in recognition of unavoidable unpaid work.
- Actively incentivising and normalising care leave for men by, for example, implementing 'use it or lose it' parental leave and increasing length and pay of paternity leave.
- Reducing living costs and unpaid care burdens through provision of universal services.

#### *Designing physical infrastructure (science and technology) must be inclusive:*

- In addition to investment in social infrastructure, all physical infrastructure should be collectively designed at the local level with the participation of women taken into account. For example: do community organising spaces provide a creche? Are they at family-accessible times of day and locations?
- Transport plans should take account of how women use transport differently to juggle caring responsibilities. Women are significantly more likely to rely on public transport, especially buses, which allow them to 'trip-chain' (i.e. make multiple short distances at either end of their working day) affordably.

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<sup>9</sup> WBG (2019) Gender and social care <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-social-care-and-gender/>

<sup>10</sup> Jerome de Henau and Susan Himmelweit (2020) Stimulating OECD economies post-Covid by investing in care [http://www.open.ac.uk/ikd/sites/www.open.ac.uk.ikd/files/files/working-papers/COVID%20care-led%20recovery\\_IKD\\_WP85\\_2020\\_06\\_12%20%28003%29.pdf](http://www.open.ac.uk/ikd/sites/www.open.ac.uk.ikd/files/files/working-papers/COVID%20care-led%20recovery_IKD_WP85_2020_06_12%20%28003%29.pdf)

- New housing and residential developments ought to enable greater sharing and coordination (for example as found in co-housing and community land trusts) in order to reduce the amount of care and domestic work required in private households at the same time as reducing resource consumption and environmental impacts.

***2. How do we support people who have lost employment during this crisis to move into environmental growth sectors? How can we ensure that such jobs are decently paid, with quality training, and offer representation by trade unions? What lessons can be learned from past programmes current support and international examples?***

There are opportunities to reskill and divert people who have lost their jobs as a result of the Covid-19 pandemic as well as creating jobs by investing in social and physical infrastructure projects. WBG echoes the call from the Trade Union Congress that these new jobs are paid at an increased and accurate real living wage, are securely contracted and unionised<sup>11</sup>.

Covid-19 has exposed the precarity and low pay that so many people experience in the British labour market in 2020. The green recovery must be committed to sustainability of both people and planet by legislating against exploitative zero hours contracts and low earnings. Increasing the real living wage is one way to protect against in-work poverty and would reap similar benefits to those outlined above for investment in childcare including less workers depending on social security due to in-work poverty and more taxes/spending in the wider economy. However, it is not a substitute for reforming the social security system so that it provides universal protection from risk.

Many people whose jobs have been lost from lockdown or automation will need to be retrained and diverted into new greener sectors. In the meantime, they will need paid educational leave. The Labour Party should commit to investing in innovative ways to transfer people's skills from high-carbon sectors like aviation into low-carbon sectors like care, hospitality and education. Investments in jobs in physical infrastructure like renewable energy, low carbon technologies and insulated housing are also needed to transition to a greener economy.

This reorganising of labour is also a great opportunity to end occupational segregation and reconsider what a green job looks like. Too often we picture men in hard hats carrying solar panels when we think about green jobs; but we need to also see teachers, carers and parents. We need to see women carrying solar panels: the transition to green jobs is an opportunity to skill and employ women in well-paid, secure and senior roles:

- Investment in the green economy should be accompanied by action to reduce occupational segregation and enable women to take advantage of the new jobs created. At the same time increasing the pay of sectors where women currently predominate such as teaching and caring, would help close the gender pay gap and encourage more men into these jobs.
- Education also has a role in ending occupational segregation in the green sectors. This requires funding for programmes in schools, universities and vocational education to

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<sup>11</sup>TUC (2020) Why we need a new jobs guarantee <https://www.tuc.org.uk/research-analysis/reports/new-plan-jobs-why-we-need-new-jobs-guarantee>

support women and girls, especially those from disadvantaged backgrounds, into STEM roles, including green STEM 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.

- Employment and training strategies must include policies to reduce and redistribute the burden of unpaid labour. Prior to the pandemic women were doing 60% more unpaid work than men, which limited their time for paid work. This requires investment in childcare and social care as set out above. It also requires genuinely shared parental leave policies whereby well-paid, individual, non-transferable entitlements are available for each parent, as well as a shared element, and other incentives to encourage fathers to take leave.
- Post-Covid recovery should also take account of pre-existing challenges including job losses as a result of automation. The actions set out above would enable workers at risk of replacement to retrain and find work in green and care sectors.

***5. Given the regional and area-based impacts of this crisis, what role can a green recovery play in mitigating these impacts? What are the lessons of past environmental interventions in terms of local and regional impacts?***

The goals of the 'green new deal' are involving decarbonising and democratising the economy and for this local participation of women is crucial. Ensuring women and other underrepresented voices are heard in decision-making processes as part of the green recovery is essential. Reversing the tide of austerity and bettering people's working conditions will enable greater community activism and engagement.

Local authorities should be properly funded to enable them to deliver recovery programmes. Local government is best placed to understand local needs, ensure investment is effectively targeted and to deliver appropriate services locally.

Central government funding for local authorities fell by over 49% between 2010/11 and 2017/18<sup>12</sup> with councils in the most deprived areas suffering the greatest cuts. Cuts since 2010 have been detrimental to local government's ability to provide lifesaving and life-changing services: funding local government adequately is a fundamental first step to recovery.

This means moving away from plans to make local authority funding entirely dependent on **locally raised revenue (council tax and business rates-based funding) and towards more centralised grants** to ensure funding is distributed based on need not the strength or otherwise of the local economy.<sup>13</sup>

***7. How can measures you are proposing in this recovery and renewal period improve quality of life—for example around walking, cycling and public transport, and improving access to nature?***

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<sup>12</sup> WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

<sup>13</sup> See WBG report for further discussion and recommendations: WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

***What habitats are you especially concerned about and want to see more support for and focus on?***

The focus on well-paid and secure jobs can help improve people's quality of life as well as policies outlined to redistribute unpaid care work which currently disproportionately impacts women's lives and mental health. Gender and other inequalities manifest in wealth gaps which impact people's quality of life but they also manifest in *time* gaps which mean that women have significantly less leisure time. Reconfiguring this balance should be key to a green recovery and investment in paid care services is vital here.

In addition, investment in the physical infrastructure required to promote green mobility must consider women's needs and patterns of behaviour. For example, investment in green local buses currently has a better chance of improving women's lives since they cover shorter distances, are cheaper and often allow people to 'trip-chain' more easily<sup>14</sup>. As above 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.

It is crucial that women's unpaid labour is decreased *not increased* in efforts to transition to a green economy (for example, reusable nappies are better for the planet but take more time to reuse and wash, this burden is more likely to fall to women so efforts to promote reusable nappies could be accompanied by establishing locally owned laundry cooperatives to create well-paid secure jobs and reduce women's unpaid work.)

All consultations on green recovery investment should take place at family-friendly times with childcare available as well as actively consulting local women's civil society and collecting data on gendered space use.

***8. In providing responses to 1-7, please can you indicate to us what considerations of cost-benefit analysis are relevant (and, if such analysis has not been undertaken, what sources of information would be necessary to understand costs and benefits); and which institutions would be required to enable effective delivery? In particular what is the role of public and private investment and different ownership models?***

Cost effectiveness of investment in social care and childcare is detailed above.

**9. What are the key institutions including business, local government, trade unions who should play a role in delivering a green recovery? Are there particular lessons that should be learnt about effective delivery? Local people know their communities better than Westminster. What steps do we need to introduce to empower local communities to be able to tailor the provision to suit their needs?**

Women, especially the most underrepresented women including Black, Asian and other ethnic minority women as well as disabled and low-paid women, must be front and centre of a care-led green recovery. This means that all stakeholders including central, local government and trade unions should incentivise and promote the involvement of women's civil society organisations in all plans for a green recovery. Key to restructuring our society is changing how governance works so

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<sup>14</sup> WBG (2018) Public transport and gender <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-public-transport-and-gender/>

that it involves communities. Women, especially BAME and disabled women, are still underrepresented in all areas of political life and rectifying this is crucial to democratising the economy.

Inclusive participation is central to localising power and resources by:

- Promoting economic, ecological and carbon education in schools as well as through the media, to best engage all children.
- Require all consultation on environmental policies to have proportional representation of gender and race and engage civil society.
- Experiment with different models of consultation like citizens' assemblies.
- Support new forms of ownership such as cooperatives and community-owned enterprises and ensure that women are enrolled in these processes.

Gender equality should be a green recovery goal:

- Make equality of gender, race, disability and class a key goal of any green recovery framework and enrol feminist thinkers in co-creation of planning and policy.
- Promote a culture shift towards valuing care as foundational to the environment and economy.

***10. What other issues/points do you think are important? What are the Covid-19 challenges of delivering such a programme and how might they be overcome?***

The green recovery ought to also consider gender dimensions of international responsibilities by:

- Balancing recommendations for greater food self-reliance with recognition of the gendered, unpaid and low-paid labour involved in producing and providing food.
- Supporting and developing sustainable small businesses that save time and reduce domestic work through mass preparation and distribution of locally grown food.
- Ending 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.
- Promoting 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 could include: a fossil fuels tax for corporations, a financial transaction tax and reform of progressive taxation like income and corporation tax.
- Protecting human rights including sexual and reproductive rights in the UK and globally.
- Promoting trade justice within all global supply chains including those where women are overrepresented.
- Ending ISDS and other barriers to environmental action in trade agreements.
- Transforming food supply chains to enable socially just and environmentally sustainable food production, distribution and consumption.

Care and community must be front and centre of the green recovery so that it redresses inequalities laid bare by the pandemic. The green recovery must end precarious work, unequal distribution of unpaid care and have care at its core.

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