

UK Women's Budget Group, June 2020

Submission to The Labour Party's National Policy Forum

The UK Women's Budget Group (WBG) is a network which analyses the gendered impact of economic policy on different groups of women and men and, promotes alternatives for a gender-equal future. We are an independent and non-profit organisation submitting to the Labour Party's National Policy Forum in an independent capacity as part of our mission to promote gender-sensitive policy in all political parties.

Our submission focuses primarily on areas of our expertise to make specific policy recommendations, costed where possible, that will improve the lives of all woman and girls in the UK especially those further marginalised by race, ethnicity, disability and class.

Far from a great leveller, the Covid-19 pandemic has exposed and exacerbated deep-seated inequalities of gender, race, age, wealth and disability in British society. It has revealed and worsened the precarity, inefficiency and neglect of our public services after nearly a decade of cuts. The crisis collided with pre-existing crises in care, health and employment which have caused significant excess deaths and destitution.

Whilst men have been significantly more likely to die from the virus, it is becoming clear that women, especially young women, disabled women, low-paid women and women of colour, are bearing the brunt of the ensuing economic crisis. Black, Asian and other ethnic minority groups have also suffered disproportionate deaths from the virus, pointing to serious socio-economic and health-based inequalities of race and ethnicity. Disabled people have had their care lessened and their access to basic needs restricted. As the public health emergency begins to slow, the economic crisis of unemployment and inequality is only just beginning. This is a bleak picture but the Covid-19 pandemic has also caused a revaluation of work and economic structures. This is an important moment for transformative change.

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Economy, business and trade

The answers below are informed by WBG's own work and by the work of our Commission on a Gender-Equal Economy¹.

1. What are the priorities for the economic recovery from the coronavirus shock and how can we target support at those areas and sectors hit hardest?

We agree with Keir Starmer that the UK cannot return to business as usual. The recovery package should aim to leave the UK in a better position socially and economically than it was before, especially in terms of wellbeing. It should aim to rebuild vital public services that have been hardest hit by austerity and ensure people have access to the services that they need in a way that ends poverty and promotes equality. Action to tackle the climate emergency and its disproportionate effects also must be central to recovery plans.

Correspondingly, the recovery from Covid-19 must focus on care: healthcare, adult social care, supported independent living for disabled people and childcare. These sectors, those who require them and their workers had been neglected long before Covid-19 struck, but the pandemic has exposed and exacerbated the failure in both 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 care, reliant on care services to allow them to enter to paid workforce, this is also a matter of gender equality.

Significant infrastructure investment will be needed to build back better. This must include investment in social infrastructure including health, social care and education services:

- **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 a well-regulated and sustainably funded National Care Service with a highly trained, well-paid workforce.
- **Universal free childcare is needed to protect against a two-tier return to work** whereby women are restricted from returning to work by childcare shortages and attainment gaps widen for children. This should be accompanied by a system of genuine **shared parental leave** with a 'use it or lose it' allocation for each parent.
- Those working in care, health and education must be recognised for their enormous contribution to society that pre-dates Covid-19. **Their pay and security must be a priority.**

These sectors also have the potential to create millions of high-skilled, well-paid, secure jobs and tax revenue: **Investment of 2% of GDP in the care sector would create 1.4 million jobs**, 2.7 times as many as an equivalent investment in construction. 6.3 times as many jobs for women and 1.1 times as many for men², thereby significantly increasing women's employment. The percentage of revenue recouped in tax and National Insurance contributions is 50% higher from investment in care (33%) than from investment in construction (22%), making the relative gains of employment from investment in care even greater when net costs are compared³. Even if wages were increased substantially in care, investment in care would still create more jobs than investment in

¹ WBG (2020) The UK Women's Budget Group Commission on a Gender Equal Economy <https://wbg.org.uk/commission/>

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

³ *ibid*

construction: 2.4 times as many as the same net investment even if wages in care were raised by 45%⁴. The gender gap in employment would also be reduced by investment in care, but increased by investment in construction, even if mitigating measures to combat gender segregation in the industry were put in place.

WBG research also finds that if childcare workers providing free universal childcare were paid an equivalent salary to primary school teachers and all 3.1m children were offered 40 hours of childcare a week for 48 weeks a year, the annual gross cost would be between £57bn (3.1% of GDP) and £35bn (1.9% GDP) depending on wages. This would create between 1.5 million and 1.7 million full-time equivalent jobs, raising women's employment rate by between 6.1 and 6.5 percentage points. Direct and indirect taxation, National Insurance contributions and reductions in social security spending has the potential to recoup between 75% and 79% of this annual investment, depending on the level of wages paid, leaving between £7bn and £14bn net cost to be funded.

These investments are also future proof: Eurostat data suggests that **the care industry produces 30% fewer GHG emissions than the construction industry** and, the education industry 62% fewer⁵.

Investment in social infrastructure is economically, environmentally and equality sound.

2. Building on the lessons the outbreak, how can we ensure work is fulfilling, secure and well paid?

The pandemic has also exposed how many of the people most valuable to the wellbeing of society are underpaid and undervalued. This is an opportunity to rethink what work matters and how we reward it. Those working in the public sector (and delivering public services that have been outsourced to the private sector) have been subject to repeated budget cuts, job losses and increased work loads, stress and instability in the last decade. The majority of these workers are women, with BAME and migrant women significantly overrepresented. For example, 83% of care workers are women with 1 in 4 born outside the UK. One in four care workers are on zero hours contracts. These care workers and home carers are currently paid just on the poverty line – with a median average weekly wage of £391. This number obscures gender inequality however, as the median average weekly wage for women in the sector is below the poverty line at £384, whilst the median weekly pay for men is £408⁶.

The Labour Party must take action to change the nature of work by:

- Legislating against exploitative zero-hour contracts.
- Increasing the national living wage to at least the level of the real living wage.
- Legislating to increase the power of trade unions in collective bargaining.
- Increasing consultation with trade unions and civil society about the creation of new jobs.
- Investing in public services including care services.
- Bringing in policies to redistribute unpaid care and make it less of a hindrance to employment, such as parental leave and free universal childcare. Policies are also needed to increase wages in sectors dominated by women.

⁴ Needs a ref to the new briefing paper (not in the working paper)

⁵ WBG calculations from Eurostat data <https://ec.europa.eu/eurostat/data/database>

⁶ https://autonomy.work/portfolio/jari/?fbclid=IwAR0npzrfqHZV2JlfuDR6x5o4QubPrONrbkc_v6LEGRoKbM0S3SBwaDE6TRO

- Together, these policies will decrease the disproportionate representation of women in precarious and underpaid work.
- Providing training opportunities (including paid educational leave) and other incentives/subsidies for those in jobs facing risk from automation, who could be reskilled for the green economy.
- Consulting with business, trade unions, families and civil society about the feasibility and desirability of implementing a 30-hour paid work week
- Ensure all jobs have a day one right to flexible working wherever possible.
- Reforming the social security system to decrease in-work poverty (see below.)

3. *How can we build an economy that is fairer and more sustainable after Covid-19?*

Coronavirus has made visible the huge inequalities in society with those living in deprived areas and working in low-paid roles being much more likely to suffer the fatal consequences of the virus⁷. In addition to the proposals made above on how to make care and work fairer and more sustainable, the following tax and governance reforms are desperately needed.

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.⁸ 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 public⁹.
- **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.¹⁰ 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.¹¹ 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

⁷ Public Health England (2020) Beyond the data: understanding the impact of Covid-19 on BAME groups

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892376/COVID_stakeholder_engagement_synt_hesis_beyond_the_data.pdf

⁸ IPPR (2019) Just Tax <https://www.ippr.org/files/2019-09/just-tax-sept19.pdf>

⁹ 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>

¹⁰ IPPR (2019) Reforming the taxation of dividends <https://www.ippr.org/files/2019-11/reforming-the-taxation-of-dividends-nov19.pdf>

¹¹ PEF (2019) Making the UK a citadel of long term finance <https://progressiveeconomyforum.com/events/making-the-uk-a-citadel-of-long-term-finance/>

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 bias in current practices. The Resolution Foundation estimate that this change could raise £4.8bn a year.¹²

- 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.¹³ 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.¹⁴

Action to increase representation of underrepresented voices at every level of Government:

- Continue to have all-women shortlists
- Enact calls for parental leave and adequate childcare for all national and local government representatives
- Increase the voice and power of civil society by introducing a national body with representatives from the women's sector to bring women and girls' voices into government and oversee, promote and protect women's rights in the UK. Ensure diversity of voices in this institution in terms of race, class, disability and other identities.

Action to increase promote equality across all policy:

Finally, the Women's Budget Group calls for every public body to **ensure a comprehensive and meaningful cumulative equality impact assessment** is undertaken on all future policy, in line with the requirements of the Public Sector Equality Duty and the recommendations of the Equality and Human Rights Commission:

- A meaningful equality impact assessment must take account of the impact of a policy or budget allocation on all people and groups with protected characteristics including age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation.
- For gender sensitive policy it is particularly important to **take account of how policy will impact individuals as well as households** as we know resources, both of money and time, are not always equally distributed between women and men within households.

¹²Resolution Foundation (2018) Passing on: options for reforming inheritance tax <https://www.resolutionfoundation.org/app/uploads/2018/05/IC-inheritance-tax.pdf>

¹³ Resolution Foundation (2018) Home Affairs: options for reforming property taxation <https://www.resolutionfoundation.org/app/uploads/2018/03/Council-tax-IC.pdf>

¹⁴Public Services International (2019) Taxing multinationals: a new approach <https://publicservicesinternational/resources/publications/taxing-multinationals-a-new-approach?id=10364&lang=en>

- A gender equality impact assessment also requires policymakers to take account of how any policy reform will impact on **unpaid care work and take lifetime and cumulative approaches to policy reform**. For example, pension policy must take account of people's lives across a lifetime not in a snapshot. To avoid systematically disadvantaging one group, policies must be considered together as well as individually.

The post-Brexit trade environment also poses substantial risks and opportunities to a fairer UK economy for both the environment and equality. Trade deals done with both the EU and non-EU countries in the coming years have the potential to promote justice and equality or further consolidate inequalities of wealth and environmental malpractice. The Labour Party should use every opportunity to scrutinise new trading arrangements for their impact on the environment as well as women and minority groups by undertaking equality impact assessments above. This requires taking account of how unpaid care and women's paid work operates in global supply chains as well as the impact on British female consumers¹⁵.

The Labour Party should also advocate that the use of Investor-State Dispute Settlements (ISDS) should be seriously restricted as a key contribution to promoting fairness and sustainability, especially in a post-Covid economy. Governments around the world have been required to take unprecedented action to stop the spread of Covid-19, much of which is not favourable to financial investors and corporations. States therefore need protection from costly and unethical ISDS's now more than ever. Public money should not be diverted from saving lives, creating jobs and taking action on the climate emergency, into paying ISDS awards or legal fees to fight ISDS claims¹⁶.

4. How can we ensure families and households are financially resilient to future economy and personal crises?

Fundamental to ensuring financial resilience of households, families and individuals is a drastic overhaul of the currently underfunded and punitive social security system. 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 Labour should commit to:

- Abolishing the two-child limit (which disproportionately disadvantages BAME families.)
- Addressing the high taper rate which disincentivises second earners from working (often women.)
- End the 5-week wait
- Introduce separate payments by default
- Remove punitive sanctions and conditionality.

More extensive detail on social security can be found in our submission to the Work and Inequality consultation.

In the longer term a better system is needed:

¹⁵ More information on the gendered impact of trade policy is available here: WBG (2020) Gender sensitive trade policy <https://wbg.org.uk/analysis/uk-policy-briefings/gender-impacts-of-trade-and-investment-agreements/>

¹⁶ Seattle to Brussels Network (2020) Open letter to Government's on ISDS and Covid <http://s2bnetwork.org/sign-the-pen-letter-to-governments-on-isds-and-covid-19/>

- There is an opportunity to galvanise the understanding that social security is a universal safety net against risk that could be needed by everyone at some point. The social security system needs to be adequately funded by contributions and taxation. There is a value to a contribution-based funding scheme in that it allows the population to have a higher stake in the system. This is an important part of getting nationwide ‘buy in’ although some people make high contributions than others. Any review of the social security and taxation systems must be taken together to consider the ways in which they interact to impact on different individuals, households and groups.
 - WBG argues for a **social security system** that is as little means tested as possible and, where it is necessary to means-test, does so on the basis of **individual as opposed to household**. This is because household-based means-testing creates disincentives for second earners (mainly women), which threaten their long-term economic independence. It is particularly important that social security payments for additional costs, such as those for children and disability, are not means-tested.
 - It is important that people are treated with dignity and respect by the social security system. Sanctions undermine this. Some system of conditionality might be retained but, claimants should be involved in designing a new system and, it must take account of caring responsibilities and gender dynamics between individuals.
 - To make the social security system work for families with and without children, free childcare needs to be decoupled from paid employment. Child benefit needs an immediate uplift. Then, the 30 hours of free childcare for 3-4 years olds should be extended to all pre-school children. High quality childcare should be provided and seen as a right for children, not a cash subsidy to their parents.
5. How can we move towards a new social contract with business after the outbreak, providing investment, support and a level playing field?

The above tax reforms are a crucial part of ensuring business has a role in the recovery ahead.

Health and social care

1. What lessons can we learn from this crisis to ensure the health and social care services are better prepared for the pressures it will face in the future?¹⁷

- That having well-funded publicly delivered services is vital. It is not profitable for a private company to prepare adequately for rare but serious events like a pandemic, so the private sector business model is not suited for the task. Running down the capabilities of local authorities and our health and social care systems, and/or deciding not to use what remained, therefore has had disastrous impacts. Similarly, private sector procurement has been shown to be incapable of responding adequately to emergencies. The public sector must be maintained in a state where it can respond to emergencies efficiently, while continuing to deal with its normal core responsibilities.
- The government did not manage to save the NHS. It may have ensured that bed spaces and ventilators were available for those it decided to treat, but it failed to live up to its core purpose

¹⁷ For more detail see WBG briefing: Social Care and Covid-19 <https://wbg.org.uk/analysis/uk-policy-briefings/briefing-social-care-and-covid-19/> and Hilary Land and Ruth Pearson ‘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/>

during the pandemic of looking after the nation's health. Collateral damage was allowed to core NHS services and to the social care sector. For any disease that targets the old, to have come to the point where care homes had to be used to "save the NHS" by taking in untested patients, shows how the government got its priorities disastrously wrong.

- In the WBG's view this disaster was a result of the social care system never being given the priority of the NHS, its privatisation and both sectors being starved of the funds they needed over many years. What we need now is a National Care Service (NCS), working closely together with the NHS, funded centrally but delivered locally. And it needs to be recognised that the people using the NCS are ordinary citizens, not a special class of vulnerable, and possibly disposable, people. It is normal to need care, and most of us will at some points in our lives.
- If the benefits of a growing economy are to be shared equally, labour intensive services, such as health and social care, will employ an increasing proportion of the workforce. Because their unit costs rise relatively, such services will also require an increasing proportion of total expenditure, even before taking the increasing needs of an aging population into account. That both health and social care are labour intensive makes investment in them a good way of generating jobs, much more effective in this respect than the usual stimulus expenditure construction¹⁸
- To make such a change requires encouraging a different attitude to public services in which they are valued, rather than seen as inferior to private sector services, and their benefits are included in assessments of living standards and inequalities. Further, the taxes needed to pay for them should be seen not as a burden but a necessary contribution to such services being provided in the most efficient way, that is as a public service rather than by the market. For too long the Labour Party has failed to challenge dominant rhetoric on the burden of taxation and the failings of public services (eg as in unfairly castigating the public sector as "one size fits all").
- To ensure that care has the necessary visibility in policymaking to avoid such catastrophes in the future and to improve everyone's wellbeing, considerations of policy impact on people giving or receiving both paid and unpaid care should be mainstreamed into all policy making, including on housing, transport and communities.

2. *What drivers should underpin our approach the healthcare policy development as we build towards the next General Election?*¹⁹

- Returning it properly to the public sector; reversing recent privatisations. Adequate funding to be able to deliver full services while responding to emergencies.
- A new settlement for the NHS is needed in which funding is initially increased substantially to restore the capabilities of the NHS, and then grows faster than GDP per person so that standards can increase in line with expectations. The King's Fund and others have argued that annual rises of 4% annual rises will be needed if services are to improve after years of underfunding.²⁰
- The Government should ensure that funding for the NHS is sufficient to improve services including investing in training and adequate salaries for staff.
- Women are disproportionately affected as they are the majority of NHS staff, patients and the unpaid carers of those waiting for or discharged from NHS care.

¹⁸ WBG (2020) A care-led recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

¹⁹ For more detail see WBG 2020 Briefing: Health and gender <https://wbg.org.uk/wp-content/uploads/2020/02/health-2020.pdf>

²⁰ The Kings Fund 'An open letter: a long-term funding settlement for the NHS' <https://bit.ly/2ucu80v>

- In particular, inadequate funding for mental health needs to come to an end. A situation in which only 25% of people needing mental health services having access to them needs to come to an end. Underfunding has particularly impacted on younger people.

3. What drivers should underpin a new settlement for social care?²¹

We need to set the values that a National Care Service should be designed to meet, these should include that care provision needs to be:

- **Universal in meeting all needs**
- **Publicly funded**
- **High quality: valued by those who receive it and society more generally**
- **Provided by people working in decent conditions**
- **Dignified, participative and inclusive in design and delivery and flexible with respect to individual wishes**

The current care system does not meet these values.

- It concentrates on too narrow a range of care needs, too focused on physical functionings. Instead to define the mission of the NCS, we need a democratic deliberative process involving care givers, care recipients and the general public, to reassess what people should be enabled to do. The focus should be on enabling as much autonomy as possible for care recipients, where autonomy means the independence *enabled* by help and support.

The provision of care by the NCS should be free at the point of need, non-means tested, should be nationally funded to avoid intensifying regional differences in health, poverty and well-being but provided at as local as possible without losing effectivity ie

- local level for delivery and coordination of services
- national level for infrastructure planning, regulation, setting of care and employment standards, quality assessment, and funding
- The National Care service must be a primarily public service to set high standards of both care quality and employment practice
 - Trust will have to be built because public sector care hasn't always seen to provide good quality or to work to foster autonomy
 - To build such trust a change in ethos, training, professionalisation, and improved pay and working conditions are all needed
 - The NCS should not have for-profit provision because competition between profit-seeking providers tends to produce both poor quality care and working conditions:
 - This is because there are few ways of cutting costs that do not impact on quality, and competition is over quality is not possible when so little is paid
 - Indeed the desire to reduce cost lay behind the push to privatisation
 - Large providers tending to drive out smaller ones through economies of scale, reducing competition and channelling funds to profits and rent, while reducing choice
 - But the NCS should be open to other types of provision:

²¹ For more detail see WBG 2020 Briefing: Social care and gender <https://wbg.org.uk/wp-content/uploads/2020/02/final-social-care-2020.pdf>

- Non-profits: voluntary sector, social enterprises and co-operatives to develop innovative good practice and provide specialist services with scope for new forms of provider eg co-ops of care workers and recipients that might enable people to work collectively to identify and meet their own needs
- There are huge transition issues in getting to this from the system that we have
 - Notably what to do with good quality for-profit providers, those who are providing high quality care despite, not because of, their profit-making imperative
 - We need to find a new institutional form for them that fosters innovation and stake holder involvement but ensures that profits aren't the driver and that any are reinvested.
- As a public service the NCS can be much better coordinated with NHS, public and environmental health in delivering high quality care, including crucially preventative care that could cut down on the need for care in the future improving future well-being and reducing costs.

4. *How can we ensure that health and care workers are properly valued and rewarded?*

- Social care needs to be recognised as not just what any woman can do, but as a profession in which the quality of care depends on a much broader range of skills and knowledge than currently recognised eg cognitive and evaluative skills as well relational and emotional skills.
- A training structure and career progression to deliver these skills requires far more extensive training than the minimal currently given. Training should be free – or with bursaries along lines of nursing bursaries – with special provision for experienced staff to have their skills recognised and become qualified.
- A well-defined career structure with clear and realistic job evaluation is needed. The training and framework for career progression should encourage greater co-operation with and movement between health and social care workforce, with methods to attract other sections of the workforce to consider care as a career.
- Pay should be at least at Living Wage standards and higher to recognise qualifications
- Working conditions should improve to include time to do the job properly, job security, rest periods, safety, minimised commuting time and opportunities to organise own rosters.
- Part-time working should be at full-time conditions and proportional pay
- Some necessary conditions for this to happen include:
 - An institutional framework for the recognition of skills and career progression
 - Trade union access: greater union membership has led to better working conditions and pay for care workers in NHS than social care
 - Public authorities must pay adequately for any services they commission
 - Equal value assessments to highlight flawed (and sexist) assumptions in current valuation of roles and skills

5. *Which areas of health and social care policy should the Labour Party prioritise for policy development as we build towards the next General Election?*

- The development of a National Care Service, free at the point of use
- Improving training and career progression for social care workers

- A step change in funding both the NHS and social care, plus a commitment to above inflation increases to meet the increasing unit costs of labour-intensive sectors and the increasing needs of an aging population
- Improving access and quality of mental health services to the same standards as physical health
- Changing attitudes to public services and to paying taxes to fund them
- Mainstreaming policy impact on people giving or receiving both paid and unpaid care into all policy making including on housing, transport and communities.

Energy, environment and culture

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 recovery trajectory if women cannot return to work due to lack of full time childcare²².

Dramatic investment and reform is 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.

Investing in care including a National Care Service with provisions for independent living and free universal childcare has the multiple 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;
- 4) providing care to those who need it and improving children's educational and social outcomes.

It would also help close regional inequalities since leaving local authorities to fund social care primarily via business rates and council tax has entrenched inequalities in the quality and availability of care services²³.

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

²² <https://wbg.org.uk/analysis/uk-policy-briefings/response-to-the-governments-covid-19-recovery-roadmap/>

²³ <https://wbg.org.uk/analysis/reports/triple-whammy-the-impact-of-local-government-cuts-on-women/>

industry²⁴. **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%²⁵ of their monthly income and only 56%²⁶ 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 risk²⁷. 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 Women's Budget Group member, Dr Jerome De Henau²⁸ 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. Modelling various staff qualification/payment models he found that if childcare workers providing free universal childcare were paid a salary equivalent to that of primary school teachers and all 3.1m children were offered 40 hours a week childcare for 48 weeks a year, the annual gross cost would be £57bn (3.1% of GDP); if pay rates were based on different wage levels by qualification, the investment would be £35bn (1.9% GDP). This would create between 1.5 million and 1.7 million full-time equivalent jobs, raising women's employment rate by between 6.1 and 6.5 percentage points. Direct and indirect taxation, National Insurance contributions and savings on social security benefits has the potential to recoup between 75% and 79% of this annual investment leaving between £7bn and £14bn net funding figure.

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 equality²⁹.

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**

²⁴ WBG calculations from Eurostat data <https://ec.europa.eu/eurostat/data/database>

²⁵ WBG (2019) Childcare policy brief <https://wbg.org.uk/wp-content/uploads/2019/10/CHILDCARE-2019.pdf>

²⁶ WBG (2019) Childcare policy brief <https://wbg.org.uk/wp-content/uploads/2019/10/CHILDCARE-2019.pdf>

²⁷ Coram Family and Childcare (2020) Childcare Survey 2020 (<https://bit.ly/2MASdrg>)

²⁸ 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.

²⁹ WBG (2019) Gender and social care <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-social-care-and-gender/>

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 men³⁰ 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.

These investments are also future proof: 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 industry³¹.

Solving the social care crisis with free personal care for the elderly and independent living provisions for disabled people would not only meet the enormous unfilled need for care, it would enable some of those caring for others unpaid to contribute to the paid economy, while helping to redistribute 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 the need for unpaid care
- 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 people unwillingly doing unpaid care through the 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.
- 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?

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

³¹ WBG calculations from Eurostat data <https://ec.europa.eu/eurostat/data/database>

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. The UK Women's Budget Group 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 unionised³².

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 that fewer workers would require in-work benefits to lift them out of poverty and more tax revenue would be raised. However, raising the minimum wage is not a substitute for reforming the social security system, which will still be needed to provide 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 and more caring work. In the meantime, they will need paid educational/retraining 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 also need to see women carrying solar panels: the transition to green jobs is an opportunity to reskill and employ women in well-paid, secure roles with a career structure:

- 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 within the green sectors. 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 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.

³² <https://www.tuc.org.uk/research-analysis/reports/new-plan-jobs-why-we-need-new-jobs-guarantee>

- 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’ include 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 2017/18³³ 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.³⁴

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? 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 easily³⁵. As above the different ways which

³³ WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

³⁴ 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>)

³⁵ <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-public-transport-and-gender/>

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 local women's civil society organisations being actively consulted 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 effectively 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 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 to immigration 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.

Education and early years care

1. What lessons should be learned from, and changes made to, our education system after the crisis?

Education is another sector that has faced huge funding cuts since 2010 which has had consequences for teachers' pay, working conditions and work loads whilst effecting students' attainment and wellbeing. The Institute for Fiscal Studies (IFS) reports that, between 2010-11 and 2015-16, education spending across the UK fell by 14% in real terms, taking it back to the same level as 2005-06 and to a similar share of national income as in the 1990s.³⁶ Further education colleges and sixth forms have faced the largest cuts in recent years. In England, between 2010–11

³⁶ Institute for Fiscal Studies (2017) *Long-run comparisons of spending per pupil across different stages of education* (<http://bit.ly/2zF4pA1>) p 9

and 2018–19, spending per student fell by 12% in real terms in 16–18 colleges and by 23% in school sixth forms.³⁷

The majority of childcare staff (98%), primary (85%) and secondary (63%) school teachers are women so low pay and high stress in the sector has gendered consequences. NASUWT, the teachers' union, reported that in 2015 the salaries of comparable professions were 20.2% above those of secondary school teachers, and 32.4% ahead of average earnings for primary school teachers.³⁸ The average pay for all women teachers in all state-funded schools in England, including academies, is £2,900 less than for their male counterparts every year (£37,700 compared to £40,660).³⁹

The Covid-19 pandemic has exposed a number of issues and inequalities within education including:

- The lack of understanding of how childcare and education impact especially women's lives by central government.
- The importance of school and childcare not just in closing attainment and achievement gaps for disadvantaged children, but also in feeding them and offering other forms of support.
- The precarity in higher education which has seen many insecure academic and support staff made redundant in the wake of economic crisis.
- Both Covid-19 and the Black Lives Matter movement have also exposed the flaws in the national curriculum: the occupational segregation in British society whereby women continue to take on the majority of low paid but essential jobs has been laid bare by lockdown. And, the consequences narrow frame through which the national curriculum teaches history have been exposed: this has huge impacts on British children's understanding the role of colonialism and slavery in British society today.

There are plenty of lessons to learn. These are some changes that can easily be made to counter these problems:

- A Labour Government must immediately pledge to plug **funding** gaps in the education system: £12.6bn for schools, £1.2bn for 16-19 education, £330m for early years provision, and £1.7bn for Special Educational Needs and Disabilities (SEND).⁴⁰
- Teachers, teaching assistants and SEND staff need a pay rise, they are some of the most valuable workers we have.
- Create **promotion pipelines** for women teachers to progress to senior leadership and headship positions, alongside many of the recommendations in other Commission discussions around **flexible working, equal parental leave and childcare provision**
- The childcare sector needs a new financial settlement and central regulation to avoid many of the failings of the pandemic reoccurring. This needs to come after immediate cash injections to stop nurseries and childcare providers going to the wall.
- Create **funded apprenticeship schemes** targeted specifically at encouraging girls and women into STEM apprenticeships, and boys and men into health and social care apprenticeships.

³⁷ IFS (2019) 2019 annual report on education spending in England <https://www.ifs.org.uk/publications/14369>

³⁸ NASUWT (2017) *Pay gap between teaching and other professions harming education* (<http://bit.ly/2lp1580>)

³⁹ Department for Education (20 July 2017), *School Workforce in England: November 2016*, London, Main

tables: SFR21/2017 Table 9a www.gov.uk/government/statistics/school-workforce-in-england-november-2016

⁴⁰ National Education Union (2020) SEND crisis <https://neu.org.uk/funding/send-crisis>

- Ending zero hour contracts would have many benefits for those in the higher education system. The Labour Party should also be committed to decreasing precarity in higher education and widening student participation, including for underrepresented groups.
- Develop a system of **life-long learning** opportunities which would give women and minorities the opportunity to update existing skills or retrain. A life-long training infrastructure could be provided by a combination of public sector education and by employers giving back to the community by contributing to training – for example by:
 - Supporting businesses that provide excellent training with back-up college courses; and possibly subsidising their training if the skills they provide are transferable
 - Requiring employers who don't train to raise their game or pay into a central fund (more than the current training levy).
 - Particularly targeting women who currently take unskilled work over skilled, because it is more compatible with caring responsibilities
 - Ensuring childcare is provided alongside training programmes
- Implement a **zero-tolerance policy** to sexual harassment and sexual violence across all schools, colleges and universities, including with **compulsory training** for all teachers and trainee teachers
- Introduce external **careers guidance** for all students, from providers audited for gender bias
- Ensure that sexism, misogyny, consent, and violence against women and girls are fundamental elements of the new Relationships Education (primary schools) and Relationships and Sex Education (secondary schools), which are legal requirements as of September 2020 across England.
- Adopt policies on how to tackle race, income and ethnicity-based attainment gaps made by The Runnymede Trust⁴¹.
- Ensure the history of colonialism and slavery in Europe and the UK is included in all national curricula – including for free schools and academies. Also increase the number of women, Black, Asian and ethnic minority figures who are taught about in schools including authors, playwrights, leaders, scientists and artists.
- A Labour government should review the funding of free schools and the tax status of independent schools.

Meaningful equality impact assessments undertaken by all public bodies must take account of the fact that women continue to take on the majority of unpaid childcare when children are not at school. This has been exacerbated under Covid-19 lockdown yet the decision to reopen the economy without fulltime childcare available is an example of how care is not currently considered in decision making.

These investments in the education system are investments in social infrastructure and should be seen as such. A combination of sustainable tax reform and borrowing to invest will be needed to make these investments. Much of the cost could be recouped through job creation, tax revenue and savings in the social security system. To pay for this and improvements needed to physical infrastructure central government funding for education as well as local government funding will need big and sustainable boosts to be paid for by tax reforms on wealth.

⁴¹ The Runnymede Trust (2012) Briefing on ethnicity and educational attainment
<https://www.runnymedetrust.org/uploads/Parliamentary%20briefings/EducationWHdebateJune2012.pdf>

2. *What other services, beyond education itself, are needed to ensure that vulnerable learners get the support they need?*

- The Education Maintenance Allowance ought to be reintroduced in England given evidence it has significant impact on improving the attainment of disadvantaged groups including Black, Asian and ethnic minority girls⁴².
- Increased investment is needed into Special Educational Needs and Disabilities is needed to ensure that vulnerable learners get the support they need.
- Reinvestment in other public services like community and youth centres, public health including sexual health services, libraries, outdoor spaces and leisure centres is also vital to a holistic and happy education. This will require investment in local government and a move away from proposals that funding is raised solely from local taxation.

3. *How can our education system support those who are particularly affected by economic disruption, including that caused by coronavirus, and the insecurity and inequality it has revealed?*

The social security system has a huge role to play in protecting against child poverty and consequent educational disadvantage/inequality which has been exposed during the Covid-19 lockdown.

- There needs to be a significant uplift to Child Benefit to £50 per week per child. This will also help to tackle child poverty, digital poverty and attainment gaps.
- An overhaul of unemployment and disability support is needed given the failings of Universal Credit to protect families from poverty. The Child Poverty Action Group has documented huge increases in child poverty since 2010⁴³. For details on what a new system might look like – see economy, business and trade submission.

4. What can we do to provide greater support to those who work in our education system?

As above, all education staff particularly those providing specialised care need to have adequate recognition and remuneration of their work. Insecure contracts in higher education need to end. Sustainable funding increases are needed to all schools to ensure funding per pupil increases and teachers are not burdened with enormous workloads. The Labour Party should also consult education unions and local authorities here and ensure a gender lens is applied since the majority of education staff are women, education is also an issue of gender equality.

Work, pensions and equality

1. *What has the crisis taught us about the role of social security in protecting the most vulnerable in society and the gaps in the current system?*

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

⁴²Harrison, J., Sandhu, K. and Stephenson, M. (2013) Layers of inequality https://warwick.ac.uk/.../layers_of_inequality_executive_summary.pdf

⁴³ The Child Poverty Action Group (2020) Homepage <https://cpag.org.uk/>

(more for families with children)⁴⁴. 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 introduced⁴⁵. 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, a Labour 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 children⁴⁶.)
- 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:

- 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

⁴⁴ 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>

⁴⁵ 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>.

⁴⁶ WBG (2018) Intersecting inequalities: the impact of austerity on BME women <https://wbg.org.uk/analysis/intersecting-inequalities/>

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 child care needs to be decoupled from paid employment. The 30 hours of free child care for 3- and 4-year-olds should be built on. High quality child care should be provided and seen as a right for children, not a cash subsidy to their parents.

2. To what extent has the crisis changed public perceptions of social security? How can we build on any changes to ensure wider public support for the system?

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 Labour must ensure that people remember that the social security system is a universal protection 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 above.

At the same time, the Covid-19 pandemic has also exposed and exacerbated the need to end low pay and in-work poverty via a combination of increases to wages for some of the UK's most valuable workers and social security reform. Those occupations defined as 'key work' during the pandemic – many of which are dominated by women – including nursing (where 90% of staff are women) and care work (where 83% of staff are women) have historically been undervalued and underpaid. Many key workers are not eligible for sick pay due to low earnings and the eligibility cap. Migrant workers, who are also overrepresented in these occupations, also cannot access the social security system in some cases, depending on their status. The pandemic has led to widespread outrage at these injustices which must be sustained and built on in the looming economic crisis ahead.

3. To what extent should social security be a universal entitlement available to all?

Social security is part of the glue helping to bind society together. Everyone has a stake in the operation of a system which provides mutual insurance against risk, shares additional costs and enables all members of society to have enough income to be able to live with dignity and agency throughout their life course. The aims of the social security system should be to:

- Prevent poverty, not just relieve it, while enabling those who are living in poverty to move out of it
- Provide adequate levels of support for those with additional costs, e.g. those associated with disability
- Ensure all children are well supported to be able to thrive and participate equally in shaping their future
- Improve life chances in the long term and not just meet immediate needs

- Ensure that all adults have access to an independent income adequate to live with dignity and agency
- Aim to provide stability, predictability and security of income across the life course and during times of change as a foundation for flourishing
- Provide mutual insurance against risk
- It should also, *in conjunction with other policies, help to reduce inequalities* between households, individuals within households and different groups in society, including in relation to gender, race, disability and age-based inequality. The social security system should be designed to help eliminate such inequalities in the long run, while at the same time recognising the unequal positions that people are currently in.

Social security in a wider context of social protection

To achieve these aims, people need not only income, but also care. The social security system should work to help share caring and the costs of care for those who need it more widely both between women and men and across the whole of society. Social security works in combination with other parts of the social protection system, including public services, and needs to be evaluated as part of that system as a whole and the taxation system that funds it, including for equality impact.

Social Security as an investment

The social security system is part of the infrastructure of society, whose existence underpins the economy and everyone's life course. It has public collective benefits as a system that all can use, and most do at some stage in their lives, in the same ways as the more widely recognised public good benefits of physical infrastructure (such as a transport system). The WBG has made a similar case for seeing public services as part of the social infrastructure of society. Our living standards are determined not only by our (post-tax) market incomes but also by the public services and social security benefits that we receive. Indeed, the value of public services and social security benefits make up more than half of the living standards of the poorest households and those of many households in which women predominate.

Like other forms of infrastructure, the social security system requires investment. This is because spending on it has long-term implications. For example, children living in poverty are less likely to stay in education, and more likely to have physical and mental health problems and reduced healthy life expectancy. The financial costs of child poverty in Britain were estimated to be £25 billion in 2008, with roughly half of these costs the effects on GDP of the diminished productivity of adults who had lived in poverty as a child, and the other half the cost of public spending on the services⁴⁷ dealing with the more short- and medium-term consequences of child poverty⁴⁸. Using IFS estimates and projections of child poverty rates, these costs were estimated in 2013 to have risen to £29 billion and were then projected to rise by 2020 to £35 billion (equivalent to about 3 per cent of GDP) (Hirsch, 2013).

And these are only the effects of child poverty. But, as the WBG has repeatedly pointed out, children live in poverty because their mothers do so, and the effects of living in poverty for women can include

⁴⁷ These costs remain whether or not the requisite services are provided. Where services have been cut the direct cost to the state may have fallen, but the true cost of child poverty has not diminished. Rather, some of that cost is being shifted to those whose needs for help are not being met and, through failing to prevent more serious problems developing, is likely to result in more costs to the state in the future.

⁴⁸ Donald Hirsch, 2008, *Estimating the Cost of Child Poverty*, York: Joseph Rowntree Foundation; Blanden, J., Hansen, K. and Machin, S. (2008) *The GDP costs of the lost earning potential of adults who grew up in poverty*, York: JRF; Bramley, G. and Watkins, D. (2008) *The public service costs of child poverty*, York: JRF.

not only the direct effects of reduced prospects and productivity but also the indirect effects of making decisions in the short term driven by poverty that harm their long-term prospects (for example, by the combination of childcare costs and means-testing of in-work benefits reducing the gains to employment). It is important that the social security system does not rely on women sacrificing their own longer-term prospects to enable their family to escape immediate poverty.

In general, women are more likely to rely on social security and receive more of their individual and household income from the social security system than men. This is because they are more likely to be the carers for other people at various stages in their life course and, partly as a result, have generally lower earnings from employment. As a result, decisions about the shape and generosity of the social security system and about the public service provision of care are particularly important for women.

The current system of social security has pushed many people, both in and out of employment, into poverty. It is a punitive system displaying a lack of compassion and respect for people's needs that inevitably has the worst effects on those with the greatest need of support from wider society, for example, those with disabilities and lone parents. It has also had negative effects on the structure of employment, and by forcing people to take unsuitable employment has encouraged the creation of insecure, casualised, poor-quality jobs of low productivity. Most of the people in such jobs are women.

4. *What role can social security play in addressing inequalities and poverty in society?*

Our current social security system in the UK is failing to address inequalities of gender, race, disability and more. Indeed, it is exacerbating these inequalities. It is failing to prevent poverty and destitution, as shown by the rise in homelessness and food bank use, failing to enable people to improve their life chances as shown by rising inequalities in nearly every social indicator, and failing to allow people to live with dignity by inadequate levels of support and a harsh and inflexible sanctions regime. All these failings particularly affect women because women are more likely to rely on the social security system at some point since they earn less, own less and take on more responsibility for unpaid care which often limits their capacity for paid work.

There are many misogynistic elements to the current design of Universal Credit including the two child limit which disproportionately affects Black, Asian and ethnic minority families, since they are more likely to have more than two children⁴⁹. The single payment of six means-tested benefits once a month into a single bank account also increases the risk of financial and other forms of domestic abuse. A genuine social security safety net is integral to ending Violence Against Women and Girls (VAWG) and ensuring that victims/survivors can escape abuse⁵⁰.

The need to have enough income to be able to live with dignity and agency applies to all women and men as individuals, irrespective of their family situation, so that all can achieve financial autonomy over the life course. That is why the WBG argues for basing social security rights on the individual rather than the family as far as possible. To do so provides the basis for more equal relationships.

⁴⁹ WBG (2018) *Intersecting inequalities: the impact of austerity on BME women* <https://wbg.org.uk/analysis/intersecting-inequalities/>

⁵⁰ WBG (2019) *Benefits or barriers? Making social security work for survivors of violence and abuse across the four nations of the UK* <https://wbg.org.uk/analysis/benefits-or-barriers-making-social-security-work-for-survivors-of-violence-and-abuse-across-the-uks-four-nations/>

Additionally, household-based means testing creates disincentives for second earners (mainly women) which threatens their long-term economic independence.

Many of the problems of Universal Credit are to do with the inadequate level of support it provides, its conditionality regime and its household means testing. All produce perverse incentives and adverse outcomes for claimants. Although there are ways to make Universal Credit less punitive, it has to be recognised that any system that incorporates household means testing and such strict behavioural conditionality inevitably reduces individual rights. In particular, means testing on household income can leave individuals without any income of their own and/or without sufficient gains to employment to make it possible to escape their predicament. Most of those so affected are women.

UK Women's Budget Group

June 2020

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