



CREATING A CARING ECONOMY: A CALL TO ACTION



EXECUTIVE SUMMARY



Acknowledgements

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Executive summary

A caring economy is an idea whose time has come. As the UK and its constituent countries face Brexit and continue to confront the Covid-19 pandemic, we present here a bold, innovative, transformative, and necessary alternative to our current economic model. While the ideas behind a caring economy have been a long time coming, they are now imperative, drawing on the lessons learnt from the Covid-19 crisis and reflecting what people across the UK want to see: an economy which puts people and planet first.

A caring economy is an economy which prioritises care of one another and the environment in which we live. It is a dynamic and innovative economy in which humans, and our shared planet, thrive. In a caring economy, everyone gives and receives care on the basis of their capacities and needs. Indeed, we all need care at various times in our lives. A caring economy ensures that everyone has time to care, as well as time free from care. A caring economy respects people's multiple roles as carers, community members, partners, parents and so on, alongside their roles as paid workers. A caring economy takes a fuller understanding of the different parts of human experience into account.

Good-quality care services, such as adult social care, healthcare and childcare are critical for a good economy. But a caring economy extends beyond care services: it involves caring about the pay and conditions of workers, acting together to end discrimination, deprivation and poverty and eliminate violence and abuse, and caring about the planet on which we live together. A caring economy means acting together to improve wellbeing rather than to maximise economic growth.

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A caring economy simultaneously ensures achievement of gender equality, sustainability and wellbeing (Figure 1). While these three objectives can, to some extent, be achieved separately, a caring economy allows them to be achieved together. For example, investment in paid care services improves wellbeing through ensuring that people's care needs are met; it improves gender equality because it raises the overall employment rate and reduces the gender employment gap (which are particularly crucial as we seek to counter the looming jobs crisis), and it is sustainable because care jobs are green. Care is a relatively green industry: investing in care is three times less polluting per job created overall than the equivalent investment in the construction industry.¹

The Covid-19 pandemic has given us some glimpses of what a caring economy might look like, in the ways that neighbourhood groups sprang up to support people especially vulnerable to the virus, and in the way air pollution levels drastically fell. But it has also showed us the many ways in which we have an uncaring economy, such as the lack of personal protection equipment for health and social care workers, the lack – for many

¹ WBG calculations using Eurostat data on environmental accounts from 2015. For more on investment in the care sector, see: Himmelweit, S. and J. De Henau (2020). A care-led recovery from coronavirus. UK Women's Budget Group (<https://bit.ly/3iZYqvp>)

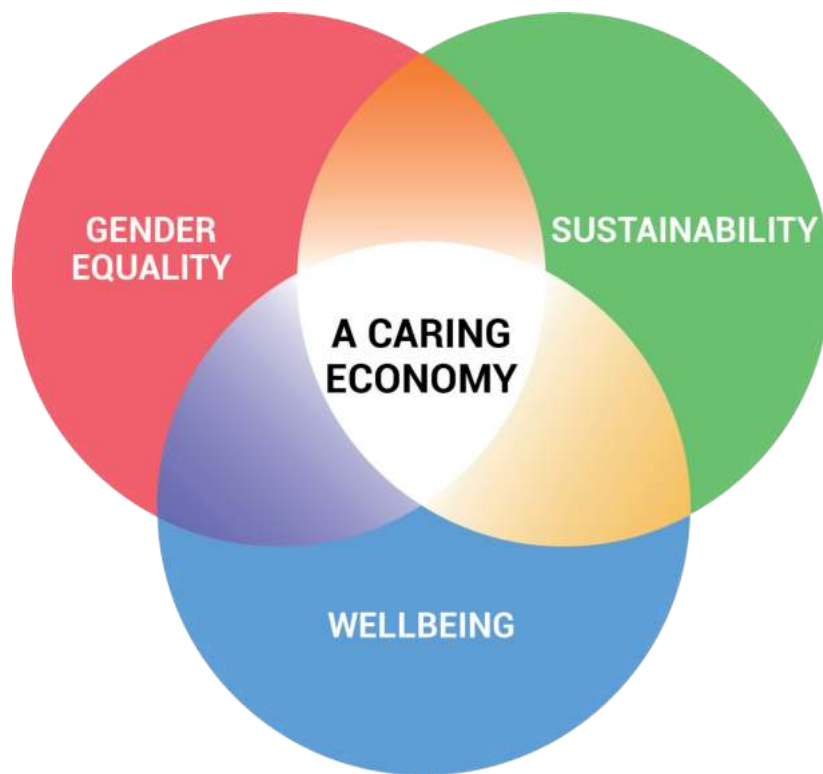


Figure 1: A caring economy encompasses gender equality, wellbeing and sustainability

months – of adequate financial support for those asked to quarantine, the low pay and poor conditions for so many key workers, many of whom are from migrant and BAME communities, and the ways in which mothers have been expected to make up most of the shortfall in childcare, with detrimental impacts on their own wellbeing.

But these symptoms of an uncaring economy are caused by deep-rooted flaws of our current economic model, such as entrenched inequality, a neglect of wellbeing of people and planet, and an overwhelming focus on short-term financial interests, instead of long-term investment. Now, more than ever, a realignment of priorities is imperative. This is reflected in public opinion: there is strong public support for building a caring economy (Box 1).

Now, more than ever, a realignment of priorities is imperative

Box 1: Public support for building a caring economy²

There is **strong public support** for building a caring economy. Polling carried out by the Women's Budget Group ahead of the publication of this report showed:

- ▶ 68% of people in the UK say that **wellbeing** should be used to measure the success of economic policy
- ▶ 79% agree that a **better balance** is needed between paid work, caring responsibilities, and free time
- ▶ Over half (56%) believe **investment** in social care, health and education is **more important** to the future of the economy than investment in transport and technology
- ▶ Three in four agree that **economic equality between women and men** is the mark of a good society
- ▶ 82% of respondents agree that **social care** should be available to everyone based on their care **needs**, not their wealth
- ▶ Two in three agree that the Government should **encourage and financially support men to provide more care**

Government responses to the pandemic have also demonstrated their ability and willingness to borrow to fund current spending on public services, social security and new subsidies, such as the furlough scheme, to try to save lives, jobs and livelihoods. This policy must be maintained and directed to building a caring economy – particularly while interest rates are so low.

This report outlines **eight steps to create a caring economy**, based on gender equality, wellbeing, and sustainability.

These eight steps, along with some key recommendations, are as follows. These apply to the UK government, devolved governments, local authorities, and businesses of all kinds, as appropriate.

² Polling was carried out by Survation. 2052 interviews were conducted in the UK. Fieldwork took place between 3-10 September 2020. For more information see: <https://wbg.org.uk/category/media/press-releases/>

1 **Re- envision what we mean by 'the economy'**, so that the centrality of care to the economy is recognised. This means that the contribution of unpaid work as well as paid work is valued. It means that time is seen as important as well as money, wellbeing as well as output, and ecological limits as well as human innovations

- ▶ **Recognise** the economic **value** of **unpaid work**
- ▶ **Monitor progress towards the creation of a caring economy** using indicators
- ▶ **Reimagine costs, efficiency and productivity** so that social value, environmental value, wellbeing and unpaid time are taken into account, rather than only market value
- ▶ Assess all policies for their **impact** on people's abilities to receive and provide **care**, both **paid** and **unpaid**
- ▶ Ensure that the **impact of all economic policies on equalities** is properly assessed and bold action is taken to mitigate any negative impacts

2 **Invest in social and physical infrastructure**, so that public services address diverse needs on an equal basis, and allow people to flourish in a way which protects and values the planet

- ▶ Ensure **sustainable** and **adequate funding**, at **all levels** of government, of **public services**, and ensure that **procurement** prioritises equality, wellbeing and sustainability, above lowest financial cost
- ▶ Establish a free-at-the-point-of-use, high-quality **Universal Care Service**, financed centrally by the public purse, closely connected to the National Health Service (NHS), locally run in consultation with users, with a well-trained and well-paid care workforce
- ▶ Introduce **free, universal childcare provision**, including early childhood education and activities before and after school, offered year-round and on a full-time basis, with increased staff qualification levels and pay
- ▶ **Increase investment in healthcare**, and prioritise funding towards community and primary care, with stronger roles and representation and higher pay for nurses, healthcare assistants and other support staff
- ▶ Ensure that specialist **Violence Against Women and Girls (VAWG)** support providers are adequately funded, and the police response and criminal justice procedures relating to VAWG are overhauled
- ▶ Enable local authorities to build sufficient energy-efficient **social housing and genuinely affordable housing**, and strengthen **rights and protections of tenants** in the private sector

- ▶ Develop a **high-quality green public transport system** through increased investment, particularly in bus systems, organised in ways which support people combining paid and unpaid work
- ▶ Implement a **well-funded, caring education system** that prioritises wellbeing and challenges gender stereotypes, and ensure that sexual harassment and VAWG is eradicated from educational settings

3 Transform the worlds of paid and unpaid work, to provide not just more jobs, but better jobs. These jobs would enable women and men to share paid and unpaid work equally. They would provide a secure and living income; be environmentally sustainable; and be free from gender stereotypes and discrimination

- ▶ Make it easier for workers to **combine paid work and caring responsibilities**, through, for instance, introducing **equal legal entitlements to paid caring leave** for all employees and self-employed people, including equal sharing of parental leave in the first year of a child's life, and leave for caring for elderly/disabled people and older children when required
- ▶ Pursue innovative strategies to **reduce the full-time working week** to around 30 hours, while also providing 'living hours guarantees' to ensure workers have enough hours' work to meet their income needs
- ▶ Establish an **effective wage floor** by implementing a minimum wage which is based on the real cost of living
- ▶ Support **greater diversity and innovation** in forms of business **ownership**, including **cooperatives and social enterprises**

4 Invest in a caring social security system which is based on **dignity and autonomy**, and which helps to ensure people fulfil their capabilities and live a meaningful life, in and out of employment and regardless of migration status, throughout their lives

- ▶ Ensure that dignity is safeguarded by withdrawing punitive and unreasonable sanctions
- ▶ **Enhance autonomy** by enabling individuals to establish their own claim to benefits
- ▶ **Improve and extend individual non-means-tested benefits** to replace means-tested benefits wherever possible
- ▶ Ensure benefits meet the additional costs of caring for children and of living with disabilities are **non-means-tested** and **reflect the real level** of these costs
- ▶ Increase Carer's Allowance for those providing **long-term unpaid care**
- ▶ Implement a **universal basic income for retired people**, i.e. a non-earnings-related, non-contributory pension for all, that genuinely supports a decent standard of living

5 Transform the tax systems across the UK, to make them more progressive and fair, and to generate more revenue to invest in social security and social and physical infrastructure

- ▶ **Reform the systems** across the four nations so that they are more **progressive** and **raise more revenue**, including through abolition of poorly designed tax reliefs, allowances and exemptions which aid tax avoidance and mainly benefit better-off men
- ▶ **Overhaul the taxation of wealth and income from wealth**, including equalising the rate of capital gains tax with income tax and abolishing its additional tax-free allowance, taxing unearned income at the same rate as earnings, converting inheritance tax into a tax on lifetime gifts, and reforming council tax
- ▶ Bring the **corporation tax rate back up to 24%** and ensure multinational companies can't **avoid** it
- ▶ Reintroduce genuine **independent taxation of income** for each partner in a marriage or civil partnership

6 Refocus the overall fiscal and monetary policy framework on building a caring economy

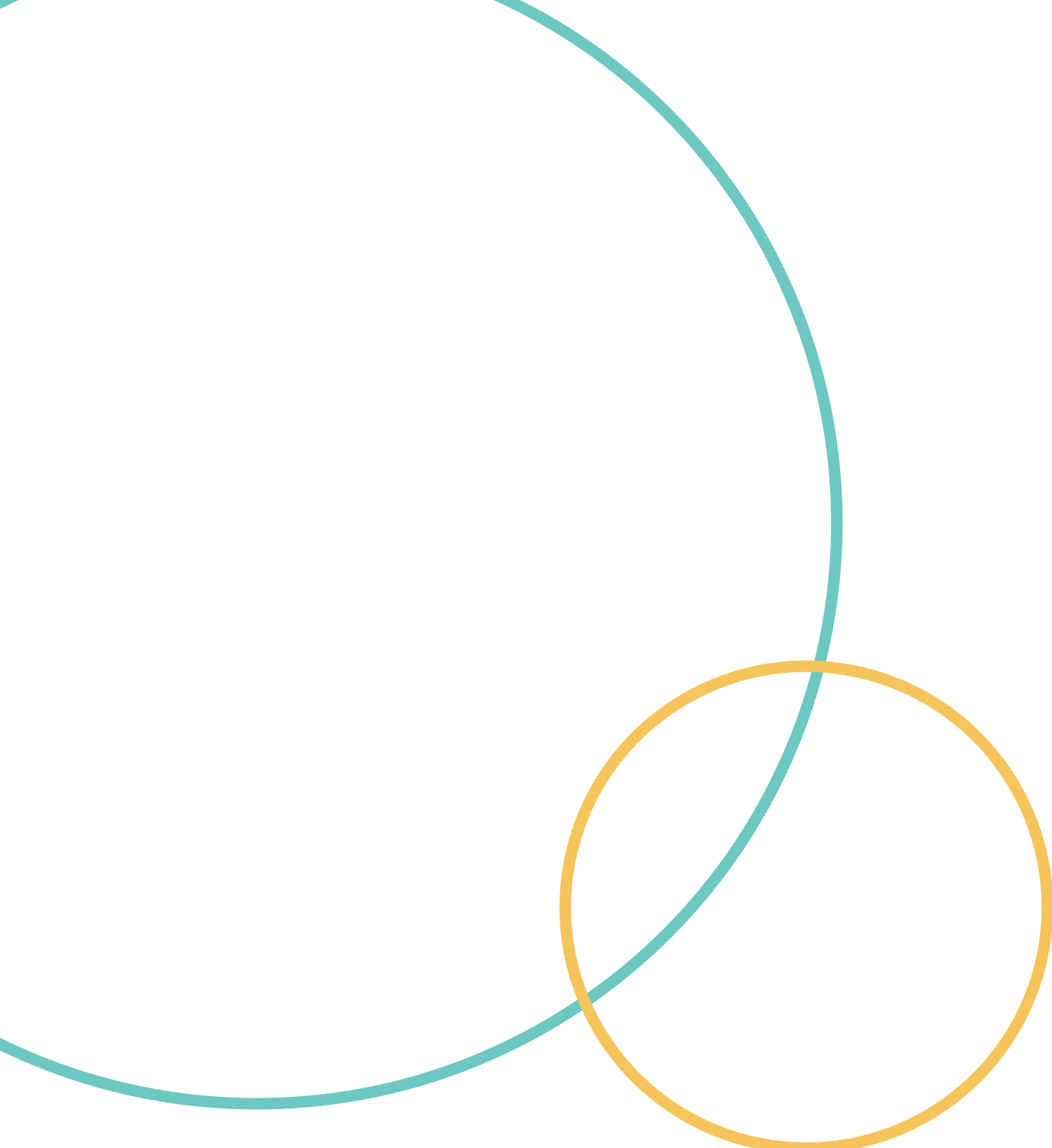
- ▶ Do not re-adopt **restrictive targets** for government **borrowing** and reducing the budget deficit
- ▶ **Coordinate fiscal and monetary policy**, in order to **avoid austerity** and instead create and sustain a caring economy
- ▶ **Increase** the **borrowing powers** of **devolved** governments and **local** governments so that they can invest more in a caring economy
- ▶ Adopt **targets and indicators** directly related to **wellbeing, gender equality, and sustainability**

7 Work to develop a **trade system** that is **socially and environmentally sustainable**

- ▶ **Ensure that all post-Brexit trade and investment agreements guarantee no deterioration** of environmental, human rights and labour standards in the UK and our trading partners
- ▶ **Ensure the benefits of trade are shared, by assessing the impact** of trade and investment deals on equality and human rights, and taking action to support any groups who will be negatively impacted
- ▶ **Exclude public services** from trade and investment deals
- ▶ **Exclude investor protection provisions** in their current form from all future UK trade deals

8 Work to transform the **international economic system**, so that it is supportive of the creation of caring economies across the world

- ▶ Support the UN General Assembly in organising an International Economic Reconstruction and Systemic Reform Summit, to promote **global transformation** in light of the crises triggered by the Covid-19 pandemic
- ▶ Support the establishment of an **intergovernmental UN tax body**, with equal participation of all countries, to break the deadlock in efforts to eliminate global tax evasion and avoidance
- ▶ Address the debt crisis in developing countries by supporting the basic principles for a **sovereign debt restructuring process, agreed upon in 2015**
- ▶ Ensure that all UK **Overseas Development Assistance** supports the achievement of gender equality, wellbeing and sustainability in recipient countries



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