

Toward a Green and Caring Economy

Briefing for a future government



Introduction

Who are we? The UK Women's Budget Group is a feminist think tank that raises awareness of and provides evidence for a gender equal economy. We occupy a unique position, acting as a link between feminist academics, the women's voluntary sector and the social policy world of think tanks. We draw on a network of pro-bono experts from these areas, who work alongside our staff team.

Our vision is of a gender-equal society

Our mission is to advance gender equality in policymaking through feminist approaches to economics.

Our work

We carry out intersectional feminist research and analysis to provide evidence of gendered impacts of government policy and support the development of gender-responsive policies.

We also provide capacity building training to local women's organisations, civil service and political researchers, as well as national and international campaigning organisations and other equality groups, on how to access and use equality data in their advocacy and campaign work and how to carry out gender responsive budgeting.

Find out more about WBG's national capacity building work through our [Local Data Project](#).

Find out more about how our [Global Partnerships & Learning Programme](#) works with civil society organisations on how to have an open dialogue with their governments on developing policies and allocating resources in ways that improve the lives of women.



Why we need a Green and Caring Economy

Economic growth isn't possible without unpaid work. Yet this work continues to be largely ignored in mainstream economic analysis and policies. Despite its importance, mainstream economic analysis and most policies do not consider the dynamics of unpaid care and domestic work. Yet keeping them out of the economic framework is not innocuous.

Unpaid work is the root cause of women's economic inequality. Women carry out 50% more unpaid work than men on average [1]. As a result, women are more likely to be economically inactive, in low-paid, part-time or precarious forms of work. They are more likely to be poor [2], have lower levels of savings and wealth than men [3]. Women are therefore less prepared to face economic shocks and thus are more likely to be dependent on social security and public services [4,5]. This is particularly true for Disabled women, single mothers and Black and Minority Ethnic women [6].

Women therefore face greater barriers to financial security, which makes them disproportionately vulnerable to the costs of climate change. These could include inflated gas bills; rising food prices because of floods or droughts; paying for household repairs after a flood; or being unable to work on days their children's school is closed because of a heatwave.

This vulnerability was clear to see in polling carried out last year by WBG and YouGov, which found that women were significantly more likely to be concerned about the cost of living crisis than men. They were also more likely than men to say that the environment and climate change will be important to how they vote in the next election [7]. This is a clear invitation to all parties to demonstrate how their environmental policies will also tackle gender and other inequalities.

Responding to both the economic and climate crises will require urgent action to transform our economy and society, ensuring gender equality is at the heart of strategies to tackle climate change. This means committing to both structural change to how we shape the economy, and systemic change to how we live our lives.

When over 60% of women are either uncertain which party is most likely to improve gender equality or don't trust any of them to [8], politicians still have a way to go to win women's trust and votes. Now is not the time to lose sight of the power of the women's vote and the gains to be made from recognising and addressing women's economic inequality.

This briefing provides an overview of WBG's work and key policy recommendations, building a pathway toward a green and caring economy.

[1] ONS, (2023), [Time use in the UK: 23 September to 1 October 2023](#)

[2] WBG (2018) [The Female Face of Poverty](#)

[3] WBG (2023) [Why taxation of wealth is a feminist issue](#)

[4] WBG (2021) [Household debt, gender and Covid-19](#)

[5] WBG (2019) [Triple Whammy: the impact of local government cuts on women](#).

[6] WBG and the Runnymede Trust (2017) [Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK](#)

[7] WBG (2023) [Not your average voter? How women will shape the general election](#)

[8] WBG (2023) [Not your average voter? How women will shape the general election](#)

1 Invest in social infrastructure so that public services address diverse needs on an equal basis.

The Problem:

- Currently, only expenditure on physical infrastructure is seen as investment, while resources allocated to social infrastructure is seen as spending.
- Forcing fiscal policy to meet specific targets results in short-term, politically motivated decision-making. This is detrimental to the economy, hindering improvements in public services and undermining the interests of women who rely on them.
- High inflation has eroded the budget for public services, meaning that, from 2025/26, unprotected departments will see a 2.3% a year real-term cut in spending [9].
- For local government, this is on top of a 27% decrease in spending power since 2010 [10].

Impact:

- This is having “triple-whammy” impact on women who are more likely to work in and rely on public services, and more likely to fill the gaps with unpaid care.
- With an estimated 1.8mn people living with unmet care needs and a third of parents struggling to afford childcare, people aren’t getting the support they need [11; 12].
- Inadequate social infrastructure investment creates barriers to women’s employment
 - 25.1% of women are economically inactive compared to 18.5% of men.
 - 1.5 million women are economically inactive due to long term sickness, while 25.7% of women are economically inactive due to looking after their family or home [13].
 - Only 35% of councils have sufficient early years provision for children under two [14].
- Violence Against Women and Girls (VAWG) has multiple and lasting impacts on victims as well as society as whole, with a total economic cost of £40bn annually [15].

What needs to change?

Government spending and investment decisions must be guided by long-term strategies based on responsibly improving well-being and equality, rather than self-imposed fiscal rules.

- **Monetary and fiscal policy coordination**
 - Monetary policy should support public investment i.e. through the Bank of England buying bonds from the Treasury to fund public investment in social infrastructure.
- **Conduct and publish meaningful Equality Impact Assessments**
 - The complexity of issues that contribute to inequalities requires a cross-government programme that reaches into all departments and public policy areas.
- **Fully fund a system of high quality universal free early education and childcare**
 - Rescue measures are needed to stabilise the sector, address funding gaps and staffing challenges. A programme for reform must set out a new funding and delivery model.
- **Invest in a high-quality universal, free social care service**
 - This must meet people’s needs and support wellbeing; with a well-trained, well-paid workforce; and financial costs shared progressively across society.

[9] OBR (2023) [The Government’s post-Spending Review departmental spending plans](#)

[10] LGA (2023) [Save local services: Council pressures explained](#)

[11] The Guardian (2023) [One in three parents of under-fives struggling to afford childcare in England](#)

[12] NEF (2022) [Give 1.9 million more people access to publically funded care](#)

[13] WBG (2024) [Women and the Labour Market](#)

[14] Coram Family and Childcare Trust (2024) [Childcare Survey 2024](#)

[15] New Philanthropy Capital (2008) [Hard Knock Life](#)

- **Commit to long-term grant funding for specialist VAWG services**, including ring fenced funding for 'by and for' services.

WBG resources:

- [Gender and Monetary Policy](#)
- [Equality Impact Assessments](#)
- [Early Education and Childcare in the UK and Beyond: Key Challenges and Lessons](#)
- [Universal quality social care: transforming adult social care in England](#)

2 Invest in green physical infrastructure that allows people to flourish in a way which protects and values the planet.

The problem:

- The economic system has delivered intersecting crises of climate, ecological breakdown and inequality, treating people carelessly in pursuit of profit.
- Women and other marginalised groups are most vulnerable to a climate change.
- Investment in green physical infrastructure overenergy-intensive and polluting industries is essential if we are to tackle the climate emergency.

Impact:

- Poor physical infrastructure exacerbates gender inequalities and the climate crisis
 - Inefficient homes contribute 17% to heating emissions and increase fuel poverty risk. This particularly affects single-parents (the majority of whom are women), with 55.7% experiencing fuel poverty in 2022 [16][17].
 - Given that transport is the largest emitter of greenhouse gases in the UK [18], public transport investment is key to tackling inequality, which is inextricably linked to a lack of and unaffordable public transport provision [19].

What needs to change?

- **Prioritise green physical infrastructure investment:**
 - Retrofit homes and non-domestic buildings.
 - Build new low-carbon social housing with guaranteed low rents.
 - Build a high-quality green public transport system, particularly in bus systems, organised in ways which support people combining paid and unpaid work.
- **Reorient the economy**
 - Put wellbeing above profit, moving away from energy-intensive and polluting industries and towards activities that care for people and planet, and ending GDP growth as our main economic objective.

WBG resources:

- [Feminist Green New Deal](#)

[16] HM Government (2021) Heat and Buildings Strategy.

[17] End Fuel Poverty (2022) Children set to suffer as energy bills rocket

[18] Gov.uk (2023) Transport and environment statistics: 2023

[19] UCL Transport Institute (2014) Transport and Poverty: A review of the evidence

3

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

The Problem :

Tax is the necessary financial contribution that individuals and companies make to a well functioning society. But for over three decades, successive governments have painted tax cuts as desirable and the last ten years have seen cut taxes alongside cutting public spending.

Impact :

- When the taxes that raise revenue used for public spending are cut, women are disproportionately impacted. This is because women are more likely to rely on and work in the public sector, and to rely on social security.
- Tax cuts also disproportionately benefit men. WBG analysis found that single men will gain on average £500 more a year than lone mothers from the combined cuts to National Insurance Contributions (NICs) in the Autumn Statement and Spring Budget [20].

What needs to change?

- **Wholesale reform of the tax system** is needed to make it more progressive and better able to fund high quality public services and social security.
- **All forms of income and capital gains should be taxed in the same way.** Taxing wealth at a progressive rate could raise £27bn per year.
- **A windfall tax on energy companies** is needed to help families struggling with energy bills.

WBG resources :

- [Why taxation of wealth is a feminist issue](#)
- [Spring Budget 2024: Taxation and Gender](#)
- [WBG full response to the Spring Budget 2024](#)

4

Transform 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; provide a secure and living income; be environmentally sustainable; be free from gender stereotypes and discrimination.

The Problem:

- Workers are facing a real terms pay cut as inflation continues to impact the cost of living – this is particularly severe in the public sector, where women and people from ethnic-minority backgrounds are overrepresented.
- Women make up the majority of low-paid workers, working in sectors hit hard by the Covid pandemic and are being disproportionately impacted by the cost-of-living crisis.
- Due to working in lower paid work, being more likely to work part-time and taking breaks or working less for unpaid care, women earn less per hour than men, have lower incomes than men, and have lower savings and less income from wealth.

Impact:

- ONS data from April 2023 estimates the gender pay gap for full-time employees to be 7.7%. For all employees, the estimate rises to 14.3%, reflecting the greater proportion of women in part-time work, which typically pays less per hour [21].
- Women are more likely to be low earners than men, with 1.7 million women classified as such compared to 1.16 million men [22].

What needs to change?

- Public sector pay must keep pace with inflation.
- Redistribute paid and unpaid work more equally, with a shorter, more flexible working week, ensuring all workers have access to well-paid, secure and unionised jobs.
- Reform parental leave and pay policies with an increase in statutory rates; day-one access to paternity leave and pay and the 90% six-week rate for self-employed mothers.
- Require companies to produce plans to tackle gender pay gaps and report on pay gaps affecting other protected characteristics such as ethnicity and disability.
- Reform Statutory Sick Pay by removing the waiting period and increasing pay to at least the real living wage rate for 52 weeks and provide pay from day one of sickness absence.

WBG resources:

- [Labour Market Changes for a Green and Caring Economy \(2022\)](#)
- [Women and the Labour Market \(2024\)](#)
- [Spring Budget 2023: Women and employment](#)

5

Invest in a caring social security system based on lifelong dignity and autonomy. It should ensure people fulfil their capabilities and live meaningful lives, in and out of employment, regardless of migration status.

The Problem :

- Women are more likely than men to rely on social security for a larger part of their income because of their greater caring responsibilities which lead to lower earnings, and increased risk of poverty.
- Policy changes since 2010 – including a reduction in the value of social security, the two-child limit, the benefits cap, and the introduction of Universal Credit – have had a disproportionate impact on women and in some cases exacerbated gender inequality.
- The household based means test undermines women’s access to an independent income.

Impact :

- **Women’s poverty has increased**, especially amongst lone parents, domestic abuse survivors, Disabled women, and Black and Minority Ethnic women.
 - On average, Black and Minority Ethnic women receive £1,040 less a year in cash benefits than a decade ago [23].

[21] ONS (2023) [Gender pay gap in the UK: 2023](#)

[22] ONS (2022) [Low and high pay in the UK: 2022](#)

[23] Runnymede (2022) [Falling Faster amidst a Cost-of-Living Crisis](#)

- **Reforms since 2012 have broken the link between rent and housing benefit .**
 - In Q1 2023, just 5% of private rental properties were affordable for housing benefit recipients [24].
 - As 60% of housing benefit claimants, women are disproportionately affected.
 - The five-week wait on Universal UC (UC) applications has meant that tenants on UC are six times more likely to fall behind on rent than other benefit claimants [25].

What needs to change?

- Reform the social security system by uprating benefits to 2010 levels in real-terms, removing the 5-week wait for UC, ending no recourse to public funds, scrapping the benefits cap, and transferring budgeting advance loans into non-repayable grants.
- Take steps to wipe out both women's and children's poverty by abolishing the two-child limit to UC and uprating child benefit to £50 per week.
- Raise Local Housing Allowance to the 50th percentile of local rents to ensure those receiving housing allowance don't face rent shortfalls.

WBG resources:

- [Autumn Statement 2023: Social Security and gender](#)
- [A Home of Her Own: Housing and Women \(2019\)](#)

[24] IFS (2023) [Housing quality and affordability for lower-income household](#)

[25] The Independent (2019) ['Universal credit claimants "six times more likely" to fall into rent arrears despite government reforms'](#)

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