



NATIONAL POLICY FORUM 2021

Work,
Pensions
and Equality



Britain is at a fork in the road. This must now be a moment to think again about the country that we want to be.

We can either go back to the same insecure and unequal economy that's been so cruelly exposed by the virus. Or we can seize this moment, and go forward to a future that builds a more secure and prosperous economy.

This consultation, alongside the Policy Review led by our Party Chair Anneliese Dodds, presents us with an opportunity to set out a bold vision for a brighter future as we emerge from the pandemic.

This is a chance for us to address what matters most to people, and the eight consultation documents reflect this. From ensuring children are at the heart of our recovery from Covid-19, to making the green new deal work for all; from repairing the foundations of our economy, to ending violence against women and girls, this consultation is an opportunity for us to work out what it takes to make Britain the best place to grow up and grow old in.

Throughout the consultation there will be a number of online member events so that my colleagues in the Shadow Cabinet can directly hear your views on the eight consultation topics, and I encourage you to get involved. Whether you submit your views at an event or through Labour Policy Forum, whether as an individual or as part of a group, I look forward to hearing your insights. By connecting all parts of our Party in this discussion, together we can build a brighter future post-pandemic.

A handwritten signature in black ink, which appears to read 'Keir Starmer'.

Keir Starmer
Leader of the Labour Party

Thank you for your involvement in the Labour Party's 2021 National Policy Forum (NPF) Consultation. Through this consultation we want to listen to our members, supporters and stakeholders on how the next Labour government can make the UK the best place to grow up, grow old and live in.

This paper is one of eight policy documents published by the Labour Party as part of the consultation this year. Each document will look at the current situation in the UK and the policy challenges we face, followed by a set of questions on the way forward. There is no need to answer every one of these questions, nor is there a specific way in which to answer them. We suggest using the questions to stimulate your thoughts on what you think the main issues are in the document's policy area.

You can write your response as an individual, or as a collective through your local party or organisation. Once you have drafted your response, please submit it to us through Labour Policy Forum: www.policyforum.labour.org.uk. For more information on how to make a submission, see **www.policyforum.labour.org.uk/consultation-submission-guide**.

On the website you can also find out more ways to get involved with the consultation, including full information on our programme of member e-roundtable events. You can also read the seven other consultation documents which might be of interest to you as well. While we are primarily asking for policy ideas related to the eight consultation topics this year, if you have an idea or issue on another topic please do submit this on the website too.

We look forward to hearing your policy ideas on how we can make Britain the best place to grow up, grow old and live in.

Want to know more about how Labour makes its policy?

You can learn more about the Labour Party's policy making process on our Resource Hub **www.policyforum.labour.org.uk/resource-hub**.

You can also follow us on Twitter **[@labpolicyforum](https://twitter.com/labpolicyforum)** for all of the latest policy development news and events.

Accessible Materials

The Labour Party is an inclusive member-based organisation that prides itself on being accessible to all who share its values. If you would like an accessible version of these documents, please email us at **policydevelopment@labour.org.uk** to discuss how we can best accommodate your requirements.

Building a more equal society

Before Covid-19 struck, Britain was already one of the most unequal countries in Europe. Ten years of successive Conservative Governments dismantling the welfare state meant that we went into the crisis in a vulnerable position. Over the last year, the impact of the crisis has not been felt equally and many have not received the support they need. What were cracks in our society going into the pandemic have since become gaping holes.

Throughout the crisis, workers have faced huge uncertainties over their jobs – whether they'll be made redundant, have their pay or hours cut, or face a weakening of their terms and conditions. For millions, that has put incredible pressure on family budgets and household incomes. In many instances, rather than alleviating that pressure, the Government's policies have worked in the opposite direction, actually making the situation worse.

In September, cuts to Universal Credit will see six million families lose over £1,000 a year. Real-terms cuts in public sector pay, inadequate sick pay, restricted extension of Free School Meals, council tax hikes and freezing income tax thresholds are further adding to the strain on household incomes. Combined with jobs programmes that are failing to deliver on the scale that is needed, the current situation for family finances is more uncertainty and less security.

That is reflected by evidence from the Financial Conduct Authority showing that, over the course of 2020, the number of adults in the UK with low financial resilience increased from 10.7 million to 14.2 million, an increase of a third. The same research showed that one in four of all UK adults expected to struggle to make ends meet, one in six expected to take on more debt and one in ten expected to rely on a food bank to get by.

Even before the pandemic, however, there were already record levels of in-work poverty as well as rising levels of child poverty, pensioner poverty and destitution. Going into the crisis, over eight million people from working households were living in poverty, an increase of two million since 2010. With similar increases to child poverty and pensioner poverty, it is clear that people of all ages have faced growing financial insecurity over the last decade.

The unequal impact of Covid-19 has exacerbated that insecurity and exposed multiple inequalities across our society. Job losses have disproportionately landed on low-paid workers, young people, BAME (Black, Asian and Minority Ethnic) workers and women who have taken on more caring responsibilities, disabled people and self-employed workers have not received the support they need and LGBT+ people have faced growing harassment.

The challenges

As we rebuild after the pandemic, Labour's response must tackle these inequalities head on and develop policies that reverse the declining job security and financial security that families have faced over the last decade. Our response must put in place credible policies that will help build a fairer and more equal society where everyone can get on and help ensure that everyone has the support they need when they need it.

The economic impact of Covid-19 has not been felt equally: those already recognised as facing discrimination under the 2010 Equality Act have been disproportionately affected. Regrettably, the Government has chosen to consider the effect of its policies “in the round”, rather than assessing their individual equalities impact. This failure is especially apparent in relation to the impact on women, BAME people and disabled people.

For the last ten years, women have borne the brunt of the Government's cuts to social security and family support while progress on closing the unequal pay gap has stalled. Covid-19 has exposed this and revealed just how precarious the situation is that many women face. Women have been more likely to take on childcare and other caring responsibilities, when schools, childcare and care support have not been available during the pandemic, to work in part-time and insecure jobs and not to be eligible even for the current low levels of sick pay. During the pandemic, they have also faced a greater risk of being made redundant and unfair treatment during pregnancy.

The Government's response to the economic inequalities facing BAME people was to dismiss the issues and to deny structural racism by endorsing the Report they commissioned by the Commission on Race and Ethnic Disparities. In reality, Covid-19 has entrenched pre-existing racial inequalities through the substantial increase in BAME unemployment and precarious work, rising levels of BAME deprivation, inadequate housing and growing health disparities.

Going into the pandemic, disabled people had been left exposed to a crisis. Households with a disabled adult were already £2,500 a year worse off after a decade of government cuts to social security. The financial insecurity facing millions of disabled people has been exacerbated during the crisis by the Government's failure to significantly uprate legacy benefits as well as their refusal to overhaul the assessment process and to remove the threat of sanctions.

Women, BAME people and disabled people have all been disproportionately affected by Covid-19. However, it is not enough to consider these effects in isolation; many inequalities across society overlap with one another. Our challenge is to recognise that fact and rebuild the economic foundations that have been weakened over the last ten years so that we can give people greater financial security and build a more equal society for everyone.

The way forward

In our Interim Report, we set out ten principles for social security, including, among others, poverty prevention, inclusivity, dignity and respect. Submissions received since then have noted that, while a useful starting point, these principles are not all-encompassing. As our policy moves forward, we must build on, and broaden, these principles so we can develop a comprehensive response to the economic and social inequalities facing our country. This needs to include clear and simple Labour commitments that will make a difference to people's lives.

Our Interim Report also looked at the urgent action needed to tackle the jobs crisis. What we've seen since is a slow and unambitious response from the Government. To date, Kickstart has only found work for less than one in thirty young people who have lost their job over the last year. Meanwhile, Restart is still yet to begin its roll out despite unemployment being forecast to peak in the summer.

The Government's failure to properly address the jobs crisis risks leaving young people – who account for nearly 90% of the total jobs lost during the pandemic – behind. It also risks reversing progress that was made by the last Labour Government on racial, gender and disability equality. That's why we need to put forward policies that strengthen our economic foundations, create opportunity for all and tackle the wider inequalities holding us back.

Labour has already set out a number of policies that aim to do just that: replacing Universal Credit with a system that tackles poverty, action to close the Gender Pay Gap, incorporating the UN Convention on the Rights of Disabled People into law and implementing a Race Equality Act to tackle structural racial inequality at source. We have also committed to strengthen protection from pregnancy and maternity discrimination, oppose "fire and rehire", statutory rights for union equality Reps, implement the socio-economic duty in the Equality Act and committed to a 'Jobs Promise', giving every young person away from work for six months a quality education, training or employment opportunity.

Going forward, we need to consider the detail and implementation of these policies in more depth and ask what further policy development is needed to create good jobs, strengthen social security and enhance workers' rights. It is only when we create a more equal society and when families can feel financially secure at home and in their jobs that Britain can be the best place to work and live in.

Questions:

1. How can we tackle the economic inequalities that have been exposed by Covid-19 and rebuild a more equal society?
2. What gaps in social security and workers' rights have been evident during the pandemic and how can they be rectified and how can we best fill them?
3. How can we give families and individuals greater financial security – through labour market and social security reforms in particular?
4. What can we do to strengthen social security, including pensions, so it provides genuine financial security for everyone?
 - a) What specific reforms are needed so as to build a replacement to Universal Credit?
 - b) The social security system has grown ever more reliant on means-testing, with its attendant problems. In the longer term, how can we reduce reliance on means-testing through either contributory or universal forms of support or a combination of the two?
5. How should we tackle high levels of insecure work, child poverty and record levels of in-work poverty?