

Quakers in Britain budget representation

Quakers in Britain are known formally as the Religious Society of Friends (Quakers) in Britain. The national church supports a network of thousands of Quakers across England, Scotland and Wales. We're also a charity, working for positive change in the world. Our representation to the budget sets out our priorities for government spending in six areas: climate crisis, criminal justice, defence, education, immigration and charities.

1. Climate crisis

The recovery from Covid-19 presents an opportunity to create a fairer, greener economy. But there is also a risk that we will rebuild our economy in a way that locks us into a high-carbon future and exacerbates inequalities. As well as being immoral, these inequalities are costly because of the increased burden on the benefits system and public services.

Rapid action to reduce UK greenhouse gas emissions to zero is vital to protect human lives and the rest of the living world. If we do not act now, the climate projections for the end of this century are truly grim, and water scarcity and ever-increasing extreme weather will hit the UK much sooner than that. As the Committee on Climate Change has warned, the UK government must take urgent action if it is to have any chance of meeting the fourth and fifth carbon budgets or the 2050 net zero target.

The transition to zero carbon will be more effective if designed in a way that fosters greater equality and prioritises the needs of those left behind. Many interventions that are necessary for rapid decarbonisation – such as retrofitting homes for energy efficiency, more community control over energy, and investment in walking, cycling and public transport – will also improve the lives of people on low incomes if managed well. This will advance the government's levelling-up agenda.

We welcome recent positive announcements on cycling. However, the £2bn of (previously announced) funding will be far from sufficient to achieve the necessary scale of change. This investment is also dwarfed by the £27bn fund for road-building, which seriously undermines the UK's climate commitments. Investing in low-carbon jobs and infrastructure will have little effect on emissions if high-carbon industries and activities continue as before.

Many of the measures that need to be taken have not changed in the context of the pandemic. However, the need to avert future crises, the likelihood of high unemployment, the hardship suffered by many during the pandemic, and the public

support for a green recovery, have combined to create a real imperative for action. We must not miss this moment.

We ask the government to prioritise measures that will facilitate rapid decarbonisation in a way that supports the levelling up agenda. This must include an end to all fossil fuel subsidies, including tax breaks for North Sea oil and gas, and an immediate ban on new public investment in fossil fuel projects. We welcome the pledge to end public investment in new fossil fuel projects abroad, and call for this to be implemented fully as soon as possible. While the government has argued that the UK has no fossil fuel subsidies, this is inaccurate: the WTO definition, accepted by the UK and almost all other countries, includes “government revenue that is otherwise due, foregone or not collected” such as reduced tax rates (which are the main type of fossil fuel subsidy in the UK). All fossil fuel subsidies must end.

Local government has a vital role to play in cutting UK emissions, but it is seriously and increasingly underfunded, with most local authorities facing significant shortfalls in the wake of the pandemic and many barely able to fulfil their statutory duties. Despite these challenges, the response to the pandemic has shown that local government is often best placed to understand and meet the needs of local residents. A well-funded local government sector could play a leading role in building resilience to climate breakdown, future pandemics and other shocks. Targeted funding for this should be made available as a matter of urgency.

A key aspect of the levelling-up agenda is the need to ensure that workers and communities dependent on high-carbon industries – including aviation, arms, and oil and gas – don’t lose out in the transition to zero carbon. The UK needs a just transition strategy, with accompanying investment, setting out how this we will move away from high-carbon industries while providing new skills and jobs to the people they employ.

One of the barriers to implementing policy change that would enable a rapid and just transition to zero emissions is the perception that it is expensive. To address this, the government should ensure that the costs of inaction are factored into the net-zero funding review, and into all investment appraisals. It should also require the carbon impact of all spending decisions to be assessed, and publish a carbon impact account alongside future Budgets to show the overall carbon impact of government spending decisions.

The recession must not be used to justify more austerity – this is economically counterproductive, would cause avoidable suffering and worsen inequality, and would further weaken society’s ability to respond to climate breakdown, pandemics and other shocks.

While caution around tax rises is required, we do not agree with commentators who have suggested that any and all tax rises need to be avoided at this time. There should be no tax increases on labour, but the extremely wealthy, many of whom have increased their wealth during the pandemic, can afford to contribute more. Research shows that wealth inequality in the UK is vast, with the richest one per cent owning as much wealth as the bottom 80 per cent of the population, while wealth is significantly under-taxed. There is also strong evidence that high carbon emissions are linked to extreme wealth. We believe the time has come to explore options for taxing wealth more effectively. As a logical first step, income from wealth (such as capital gains and dividends) should be taxed at the same rate as income from work.

Tax can be a useful tool for incentivising certain behaviours. However, there is a risk that poorly designed consumption taxes could disproportionately affect low-income households. In principle, we support taxation-based measures designed to discourage ecologically harmful behaviours. But these should be accompanied by policy measures making it easy and affordable to adopt 'good' behaviours instead. For example, fuel duty should be increased following the ten-year freeze, but this should be paired with major investment in active travel and public transport, and an approach to land-use planning and economic development which reduces car dependency.

The UK is facing high levels of unemployment as businesses struggle to bring in revenue during the pandemic. Meanwhile, there is no shortage of work to be done in the zero-carbon transition, from retrofitting homes to restoring natural habitats. Investment in retraining and direct job creation to accelerate the transition to zero carbon would pay for itself many times over, help the UK meet its climate targets, contribute to the government's 'levelling-up' agenda, avert an unemployment crisis and build skills that will be useful in a zero-carbon economy. As part of a publicly funded programme, steps should be taken to ensure that these jobs are paid the real living wage, and that gains are retained for public good.

Support for large corporations should be compatible with the need to rapidly reduce the UK's greenhouse gas emissions to zero. Polling has shown clearly that the public oppose 'no-strings' corporate bailouts. While all workers must be supported, polluting industries such as oil and gas and aviation must not be bailed out without a clear and binding plan to wind down their high-carbon activities. Large businesses in receipt of public money should be required to give back, including through paying the real living wage and a requirement to make rapid progress towards Fair Tax Mark standards or equivalent. The UK should follow the example of Scotland and Wales in barring companies based in tax havens from receiving financial support.

The pandemic's impacts on the economy are starting to be felt. There will be no return to the old normal. Meanwhile, the WHO has warned that continuing deforestation and other ecological destruction makes future pandemics more likely.

The prevailing overemphasis on GDP growth is contributing to resource overuse while doing nothing to address inequality or improve the lives of people in the UK. There is no evidence that ‘absolute decoupling’ of growth from carbon emissions and resource use is possible. There is therefore no room for further overall economic growth in rich countries if we are to remain within our carbon budget. It is vital that instead of clinging to remnants of the old economic order and hoping they will get us out of this crisis, we seize this opportunity to reimagine the purpose of the economy, and reshape it to foster equality and wellbeing. This is an opportunity to break free from the overconsumption that is destroying our life-support systems, and build an economy which respects and works with those systems instead.

2. Defence and security

Peace is a core Quaker value. Over hundreds of years, Quakers have practised and promoted nonviolent approaches to resolving conflict. We have a vision of a world without war and support the UN Secretary General’s call for a global ceasefire. Quaker United Nations Offices in Geneva and New York contribute actively to international law as a means of ensuring peace and security for all. Quakers in Britain are members of Rethinking Security and supported their submission to the Integrated Review of Security, Defence, Development and Foreign Policy.

Quakers welcome some of the shifts that have occurred during the Covid-19 pandemic from violence to compassion, for example the military helping with coronavirus testing and vaccination. The crisis has shown us all the importance of investing in health, social care and other vital public services, and the mutual aid networks that have sprung up in response to Covid-19 demonstrate human capacity and desire to help one another. Supporting and strengthening both public services and informal community networks will help the UK to build greater resilience to the economic and environmental challenges we all face.

The pandemic has shown that the prevailing understanding of threats to security, currently focusing on geopolitical rivalries and power-projection, is mistaken and unhelpful. Most security risks stem from long-term underlying problems such as economic inequality and the climate crisis. We believe that security, the climate crisis and social justice are inherently linked and should be considered together as the government develops its spending priorities. If the UK wishes to strengthen its place in the world, it must become a world leader in peace, sustainability and social justice.

We call on the government to divest funds and skills from weapons and fossil fuels and invest them in renewables and public services. This would enable the UK to become a world leader in scientific and technological advancements. We particularly oppose plans to spend £205 billion on renewing Trident (figures calculated by CND: <https://cnduk.org/resources/205-billion-cost-trident/>). We believe that the most

immediate and serious threat to our security is the climate crisis, and that this money would be better spent on funding a just transition to a zero-carbon economy.

3. Education

Covid-19 and the closure of schools provides an opportunity to reflect on our education system and the values it instils. We are working with restorative practitioners to promote the RESTORE approach (restoreourschools.com), to help schools re-open after Covid-19 in ways that are healthy in the long-term for individuals and the school community. The model highlights the need for a restorative lens for schools to heal and rebuild from this pandemic.

Critical thinking and relationship-building skills are vital for the citizens and workforce of the future. The UK has signed up to and agreed to implement the UN sustainable development goals (SDG), including SDG 4.7: 'By 2030, ensure that all learners acquire the knowledge and skills needed to promote...a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.' We are working with partners across the education and development sector to try and fulfil this goal.

We ask the government to provide funding for the research, development and implementation of peace making and peace building in schools. This includes support and funding for peer mediation and restorative approaches. We also believe it would benefit young people if there was more support for the teaching of British histories of colonialism and migration, including Black British histories, as promoted by the Runnymede Trust and their excellent resource *Our Migration Story*.

4. Criminal justice

Quakers believe that our criminal justice system should focus on prevention and rehabilitation in order to keep our communities safe and secure in the long term. Central to this transformation is the sustained eradication of causes of social injustice, such as racism, because these are the underlying causes of crime. We consider it a false economy to use short term and ineffective measures such as increasing imprisonment to patch up systemic problems in our criminal justice system. We see cost-effective alternatives successfully taking place, such as the preventative measures undertaken by Durham Police (<https://www.durham.police.uk/Information-and-advice/Pages/Checkpoint.aspx>).

We understand that £2.5bn has been allocated to a project aimed at tackling crime, including the creation of 10,000 new prison places. We urge the government to redirect this funding to the prevention of crime and the rehabilitation of offenders. A public health approach to tackling crime has proven effective, for example with

regards to knife crime in Glasgow. This approach involves investing in public services such as mental health and youth facilities.

Victims of crime continue to be poorly served within the criminal justice system. Well-funded, restorative justice programmes provide victims and those who have harmed them with the chance to stop crime dominating their lives.

The Covid-19 pandemic has had an extremely negative impact on rehabilitation for people currently in prison, as they have lost access to work, education and family visits. Their mental health is seriously affected by being confined to their cells for over 23 hours per day. We ask the government to invest in rehabilitation for these and future cohorts to ensure that if someone does go to prison, they come out less likely to reoffend. A presumption against short sentences and a focus on community rehabilitation is much more cost-effective than the current over-use of custodial sentencing. Aside from the moral arguments, it simply does not make financial sense to spend billions of pounds keeping people in prison when prison has not been shown to be an effective way to prevent crime.

5. Immigration

Immigration detention is similarly cost ineffective. Government statistics indicate that the average daily cost of holding someone in immigration detention was £94.56 in the last quarter of 2019. The annual cost of detention for the year ending March 2019 was £89 million. There is much evidence to that the current detention system is deeply damaging to detainees, their families and communities. And with around half of those who are detained released back into the community, it's very difficult to see what purpose the system practically serves. Quakers in Britain support a 28-day limit for immigration detention and ultimately call for an end to the practice. We believe that this money could be better spent on processing asylum-seekers' claims more effectively (currently half of appeals are successful) and helping those who are granted leave-to-remain to integrate into society and contribute to our economy.

Quakers' interest in immigration is rooted in our belief that there is 'that of God in everyone'. We uphold the inherent value and agency of every human being. This leads us to call for a more humane immigration and asylum system.

Policies such 'no recourse to public funds', 'right to rent', and the ban on asylum-seekers doing paid work, force people from migrant backgrounds into poverty. They exacerbate racism by creating mistrust of people perceived as not being British, and by reinforcing the false view that migrants do not contribute to society.

Quakers call for the government to end the hostile environment and allow people from migrant backgrounds to access work, housing and healthcare. This would restore dignity to people from migrant backgrounds and enable them to contribute

fully to our economy and society. Research by the Lift the Ban coalition indicates that people seeking asylum could contribute at least £42.4m to the economy if they were allowed to work.

6. Charities

Quakers in Britain, like many charities, have suffered financially due to the Covid-19 pandemic. Government can offer additional support by helping to maximise the value of charitable donations. A Gift Aid Emergency Relief Package could prevent many charities from having to shut their doors to get through the crisis.

Estimates from the National Audit Office already indicate that approximately £560m of eligible Gift Aid is not claimed each year. A temporary two-year change of the effective tax rate at which Gift Aid was paid would mean that a £100 donation from a UK taxpayer would increase to £133.33 (from £125) for the charity once Gift Aid has been claimed.

Raising Gift Aid in this way could secure an extra £450m and benefit over 70,000 charities as they return to fundraising activities and re-open charity shops over time. This represents a simple and practical means of supporting charities that has clear precedent in the recent past (i.e. the 2008 Gift Aid Transitional Relief scheme). It would utilise existing distribution methods acting as a match for individual giving.

Thank you for taking the time to consider our submission. If you have any questions, please contact graced@quaker.org.uk.