



Six principles for a green and just UK recovery

1. The long-term recovery package must be designed to support a just transition to a zero-carbon economy, with all decision-making guided by this goal.
2. Measures to support the economy should prioritise quality of life, health and equality, not profit and growth at all costs.
3. Steps must be taken to reduce the inequalities exacerbated by the pandemic, including higher taxes on wealth.
4. The recovery should create opportunities for useful work which contributes to the zero-carbon transition, paid at or above the real living wage, for everyone who wants it.
5. Binding social responsibility requirements should be placed on large companies in receipt of public money.
6. The recovery must foster peace, cooperation and human security.

In more detail

These principles have been developed by QPSW staff, with support from the QPSW Economics & Sustainability subcommittee. They draw on minutes of this subcommittee and on prior QPSW work, particularly on climate and the new economy.

QPSW has recently used these principles as the basis of responses to several consultations on the post-COVID recovery, including those by the Business, Energy and Industrial Strategy Committee, the Environmental Audit Committee, the Labour Party and the Parliamentary Group on the Green New Deal.

These principles focus on matters which can be addressed by the UK government. Where issues are devolved, advocacy work is being carried out separately in Scotland by the Scottish Parliamentary Engagement Working Group, with support from BYM staff.

1. The long-term recovery package must be designed to support a just transition to a zero-carbon economy, with all decision-making guided by this goal.

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. The government must act now to avoid this.

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.

We must also design the transition to zero carbon in a way that fosters greater equality and puts the needs of the poorest people first. Many interventions which 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.

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.

2. Measures to support the economy should prioritise quality of life, health and equality, not profit and growth at all costs.

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.

The economic crisis brought on by COVID-19 invites us to rethink our aims as a society, and how we can use the economy to support those aims. It is not enough to hope that overall economic growth will bring about better health and quality of life – we need to measure the outcomes we really want. As Kate Raworth writes persuasively in her book *Doughnut Economics*, “today we have economies that need to grow, whether or not they make us thrive: what we need are economies that make us thrive, whether or not they grow.”

3. Steps must be taken to reduce the inequalities exacerbated by the pandemic, including higher taxes on wealth.

The pandemic has brought economic and health inequalities into sharp focus. People facing the greatest deprivation are experiencing a higher risk of exposure to COVID-19 and existing poor health puts them at risk of more severe outcomes if they contract the virus. Many people have lost work or are likely to do so as the Job Retention Scheme ends, while better-off people who are able to work from home have generally saved more money during lockdown, further widening the gap between rich and poor.

The inevitable 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.

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,ⁱ while wealth is significantly under-taxed. There is also strong evidence that high carbon emissions are linked to extreme wealth.ⁱⁱ

The role of the very wealthy in driving climate breakdown cannot be ignored. The need to curb extreme wealth goes hand in hand with the need to rapidly reduce greenhouse gas emissions. We see a pressing need to tax wealth more effectively – in particular wealth held in land and property, which accounts for a high proportion of wealth in the UK. 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.

The impact of both COVID-19 and climate breakdown is global, and we have a responsibility towards poorer countries working to overcome both crises. We want to see the UK lead the calls for debt relief for the world's least well-off countries, many of which are being battered by the twin impacts of COVID-19 and climate change. This would also show leadership from the UK as hosts of COP26.

4. The recovery should create opportunities for useful work which contributes to the zero-carbon transition, paid at or above the real living wage, for everyone who wants it.

The UK is facing high levels of unemployment as businesses struggle to reopen. 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, 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 – i.e. that public money is not subsidising private profit.

5. Binding social responsibility requirements should be placed on large companies in receipt of public money.

There should be no 'no-strings' corporate bailouts. Large businesses in receipt of public money should be required to contribute to the public good, including through paying the real living wage, greater democratic control and accountability, and a requirement to make rapid progress towards Fair Tax Mark standards or equivalent.ⁱⁱⁱ The UK government should follow the example of Scotland and Wales in barring companies based in tax havens from receiving financial support.

Support for large corporations should also be compatible with the need to rapidly reduce the UK's greenhouse gas emissions to zero. 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.

6. The recovery must foster peace, cooperation and human 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.^{iv}

We 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^v and the UK falling in global arms sales rankings.^{vi} The crisis has shown us the importance of investing in health, social care and other vital public services, and the mutual aid networks which have sprung up in response to COVID-19 demonstrate our capacity and desire to help each other. Supporting and strengthening both public services and informal community networks will help us build greater resilience to the economic and environmental challenges we face.

The pandemic has shown that the prevailing understanding of threats to security, focusing on mass atrocities and military solutions, is inaccurate and unhelpful. Most security risks stem from long-term underlying problems like economic inequality and climate change. As identified in the UK risk register, the likelihood of a pandemic was high; yet the government was severely under-prepared and had no economic plan.

As part of Rethinking Security,^{vii} we call for security based on justice, cooperation and sustainability. Funds and skills must be divested from arms and fossil fuels and invested in renewables and public services. This will provide holistic, human security.

ⁱ <https://www.equalitytrust.org.uk/resource/billionaire-britain>

ⁱⁱ A paper in *Nature Climate Change* reports that the wealthiest 0.54% of the global population are responsible for 14% of lifestyle-related emissions. Otto, I.M., Kim, K.M., Dubrovsky, N. *et al.* Shift the focus from the super-poor to the super-rich. *Nature Clim Change* **9**, 82–84 (2019). <https://doi.org/10.1038/s41558-019-0402-3>

ⁱⁱⁱ <https://fairtaxmark.net/supporters/lockdown/>

^{iv} <https://news.un.org/en/story/2020/07/1067552>

^v <https://www.nursingtimes.net/news/coronavirus/armed-forces-to-test-care-home-staff-for-covid-19-using-mobile-units-27-04-2020/>

^{vi} https://www.sipri.org/sites/default/files/2020-04/fs_2020_04_milex_0_0.pdf

^{vii} <https://rethinkingsecurity.org.uk/>