

November 2020

Submission to
Department of
Business,
Enterprise and
Innovation on
Ireland's National
Economic Plan

Introduction

The Department of Business, Enterprise and Innovation (DBEI) is currently developing a National Economic Plan which aims to set out a roadmap to 2025 to ensure a balanced and inclusive recovery, build resilience across enterprise and transition to a greener, future economy. It is crucial that the National Economic Plan is gender and equality proofed, as per commitments in the National Strategy for Women and Girls. In making this submission, NWC sets out our proposals to ensure that the National Economic Plan takes account of the needs of women in Ireland and is capable of driving an equal recovery.

At the onset of the COVID-19 pandemic in Ireland and across Europe, women sustained our societies through their paid and unpaid care labour and their work in essential services across the country. They continue to do so as we manage the aftermath of the public health pandemic and as the social and economic consequences unfold. However, NWC is concerned about the lack of attention to gender equality in much of the economic decision making that has taken place since the onset of the pandemic.

While there were welcome commitments to extending income supports for workers in Budget 2021, government failed to make much needed investment in childcare. This decision was all the more extraordinary, as it followed on from an earlier failure to invest in childcare in the July Stimulus package. Though government's stated aim is building a jobs-led recovery, childcare, an essential component of a functioning labour market, continues to be one of the most poorly funded systems in Europe

As Ireland develops more long-term recovery strategies, it is essential that a gender analysis is applied in the development of these and in decisions on the allocation of funding. The need to develop plans at speed, in times of crisis does not negate the need to gender and equality proof those plans. If anything, COVID-19 has further reinforced the importance of gender and equality proofing. Ignoring gender issues can multiply the effect of the crisis if not addressed as part of the initial response.

The National Economic Plan must lay the groundwork for a significant, sustainable and ongoing investment in public services and social infrastructure. It must ensure a balanced, inclusive and green recovery by shifting the focus from perpetuating low paid, poor quality work to using public funding to support decent, well paid jobs. NWC proposes the following priorities for the National Economic Plan:

- Invest in the care economy to create a society that values care, people and the planet
- Create a new model of work based on decent pay and workers rights and use conditions attached to public funding to drive this change
- Deliver a feminist, green new deal so that social justice and climate justice are central to the recovery
- Embed gender and equality budgeting in all economic decision making to ensure the allocation of resources tackles inequality
- Invest to drive an equal and sustainable recovery based on public services, fair taxation, valuing the care economy, equality and sustainability

Invest in the Care Economy

Childcare remains the single most significant barrier to women's equal participation in all aspects of society, but particularly employment, education and training. Those working in the care sector are predominantly women and are among the lowest paid workers in the economy, a key contributor to the GPG.

While funding for additional homecare hours and a modest increase to the Carer Support Grant were welcome measures in Budget 2021, overall, government failed to make the necessary investment in the care economy. Investment in the care economy must be a key focus of the National Economic Plan to support both women and men to participate in the labour force and to address the legacy of low pay and precarious conditions in the care sector.

Investment in a **public** care infrastructure is crucial. Countries with public provision tend to have childcare services that are more affordable, accessible, and of higher quality than countries with private service provision.¹ Across European countries, the single most important factor in lowering the pay and conditions of care workers is the extent to which it is marketised. Better pay and conditions can only come about through an increase in public resources.²

Investment in care has been shown to act as a better post-pandemic economic stimulus than investment in traditional economic recovery approaches such as construction. Producing significantly less emissions than construction, care jobs are also green jobs.³ Because the sector is comprised predominantly of low paid women workers, investing in care could reduce the gender pay gap significantly (by an estimated 5% in a UK context⁴) and could align our economic recovery with our goals on addressing unmet need for care and a green recovery.

NWC recommends:

- Invest in a public, affordable and accessible care infrastructure to support people at all stages of the lifecycle
 - Increase investment in early years to 1% of GDP over the next decade, in line with UNICEF recommendations
 - Resource national afterschool care, supports for childminding and the Childcare Ireland agency
 - Introduce a Living Wage for all Early Years Educators as a matter of urgency as a first step towards professional salary scales
 - Provide a statutory right to home care, social care supports for disabled people and a range of public care options to enable people to live their older years with dignity
- Establish a Commission on Care as outlined in the Programme for Government

Create a New Model of Work

Our work and welfare systems were built for a different era on a male breadwinner understanding of the labour market and social welfare systems. A return to 'normal' will not support women. A new approach must focus on creating decent, sustainable well-paid jobs, not jobs at any cost and should use public funding to drive improvements for workers.

Active labour market policy

At 5% in February 2020⁵, COVID-19 adjusted unemployment peaked in May before falling to 15% in September⁶ before increased restrictions kicked in again. From the onset of the pandemic, evidence quickly emerged of the disproportionate impact on women, young workers and migrants.⁷ Young women

¹ https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-06-16_l-rs-note-public-provision-of-early-childhood-education-an-overview-of-the-international-evidence_en.pdf

² TASC (2020). Cherishing All Equally – the Care Economy.

³ <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

⁴ WBG (2020). A care led recovery from Coronavirus.

⁵ CSO (2020). Monthly unemployment stats. Feb 2020.

⁶ <https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentfebruary2020/>

⁷ CSS. Monthly unemployment stats sept 2020

⁷ Coates, D., Byrne, D., Brioscú, A., Corcoran, D., Cronin, H., Keenan, E. and McIndoe-Calder, T. (2020). The Initial Impacts of the COVID-19 Pandemic on Ireland's Labour Market. DEASP.

have been the group most effected with unemployment among this group increasing by 30% between February and September 2020, compared to a 21% increase among men of the same age.⁸

The National Economic Plan should support those most affected by COVID related unemployment – young women - as well as those most marginalised in employment prior to the pandemic – lone parents, working class women, ethnic minorities, including Traveller women, disabled women and carer’s.

Budget 2021 committed €200m for training, skills development, work placement schemes, recruitment subsidies, and job search and assistance measures. In 2018, there was clear gender bias in who benefits from investment in active labour market programmes - 73% of the beneficiaries were men with just 1% of women benefited from investment in apprenticeship schemes.⁹ Given that women have traditionally not benefitted from investment in ALMP, it will be essential that funding is carefully monitored and targeted supports offered to women.

Since many of the jobs lost, in sectors such as retail and hospitality, are unlikely to return soon, our ALMP should focus on skills development in alternative areas, such as care, which would represent a decent and green alternative for both women and men as well as helping to address unmet need for care services. Investment must include raising the pay and terms of conditions of the care workforce.

Equally, ALMP must address gender inequalities in access to emerging, higher paid and green jobs in STEM areas. Contrary to our policy aims, the proportion of women working in higher paid sectors like information and communications technology (ICT) in Ireland actually decreased from 30% in 2004 to 21% in 2017.¹⁰

NWC recommends:

- Increase investment in active labour market programmes and supports
 - Invest in care as a key element of this, helping to make care a more attractive career and address unmet need in a ‘green’ way
 - Support women to access programmes in STEM areas
- Develop a gender and equality proofed labour market activation plan to address the challenges post- COVID-19 and provide targeted supports to Travellers, carers and disabled people
 - Publish gender and equality disaggregated data on beneficiaries of active labour market programmes
- Ensure active labour market policy works for women by providing individual access to payments and job supports and acknowledge care by allowing those working part time to be eligible for Jobseekers payments

Decent work

For many women, paid work is no guarantee of income adequacy with women predominating in low paid and precarious work. While almost 70% of women are ‘essential’ workers, they are among the lowest paid in the economy. More than half of wholesale and retail workers¹¹ and 6 out of 10 childcare workers earn less than the Living Wage.¹² Among undocumented workers, many of whom work in care and other essential sectors, 26% report earning less than the minimum wage.¹³

While there has been an annual increase in the minimum wage in recent years, it stagnated during austerity with no increase between 2007-2015. If government is serious about closing the gap between

⁸ CSO (2020). Monthly unemployment stats Feb-Sept 2020

⁹ Murphy, M. (2018). No Feminist Budget: Analysis of Budget 2019 for NWCI.

¹⁰ <https://witsireland.com/stem-resources/women-in-stem-in-ireland-by-numbers/>

¹¹ CSO (2020). LFS Minimum Wage Statistics. Q4 2019.

¹² Pobal (2019). Annual early years sector profile report 2018/2019.

¹³ MRCI (2020). Live here, work here, belong here. A survey of over 1,000 undocumented people in Ireland

the minimum wage and the living wage, we need to see greater increases in the minimum wage than the 10c per hour agreed this year.

Collective bargaining is one of the most effective ways to create more equal redistribution of wealth, reduce inequality and address low pay. Research has indicated that countries with a high coverage of collective bargaining tend to have shorter working hours for both women and men, more flexible work options under secure employment conditions, better protection for non-standard workers, as well as a reduced gender pay gap.¹⁴ However, the proportion of employees covered by collective bargaining agreements in Ireland is low. Legislation is of particular necessity in Ireland, as our laws allow employers not to recognise unions in pay disputes. Unions are often not recognised and joint labour committees don't exist in many of the sectors women predominate.

Public procurement can be a key lever in driving better terms and conditions for workers, given its significance in terms of government spending. Public procurement within the Public Service represents an estimated €15 billion a year, of which approximately €6.5 billion is on capital works and €8.5 billion is on goods and services.¹⁵ Public procurement policies can promote decent work by making public contracts only available to those companies that pay decent wages, are addressing their GPG and respect workers' right to collective bargaining.

Budget 2021 committed billions in public funds to supporting business, including VAT cuts to the hospitality sector, but failed to link supports for business to better terms and conditions for workers. The experience of the last financial crash demonstrates the importance of ensuring supports for private enterprise are conditional on improving wages and terms and conditions of workers. In 2011, VAT cuts were granted to the hospitality and tourism industry. During 2012-2017, profits rose from 4% to 24.6%, however, wages stagnated and rose only 3.7% during the same period.¹⁶ Failure to share the benefits with workers impacts on the public purse through lower tax revenue and increased social welfare costs through the need for payments such as the Working Family Payment. It is essential that we learn from previous mistakes and ensure that public benefit is gained from public spending.

NWC recommends:

- Ensure work provides a Living Wage.
 - Refocus the work of the Low Pay Commission towards a Living Wage Commission, as committed to by Minister Varadkar following Budget 2021
- Ensure an equitable recovery by linking supports to businesses to conditions such as addressing the gender pay gap, supporting collective bargaining rights and the Living Wage
- Attach social criteria, clauses and conditionality, including living wage clauses government procurement processes
- Enact the Gender Pay Gap Information Bill and resource its implementation, including technical and financial assistance for SME's and a public pay audit website
- Legislate for collective bargaining rights
- Fund school infrastructure in physics and maths so women and girls can access higher paid work in areas like IT, engineering and green technology

Work life balance

COVID-19 has highlighted the largely unpaid, unequal and invisible care economy in which women dominate. Women continue to provide the majority of unpaid work and the choices women can make

¹⁴ European Trade Union Confederation (ETUC). Collective bargaining and gender equality. <https://www.etuc.org/en/collective-bargaining-and-gender-equality>

¹⁵ DPER (2020). DPER Briefing Note Public Procurement 21/05/20

¹⁶ <https://notesonthefront.typepad.com/politicaconomy/>

with regard to employment are severely limited due to lack of a public early years and care infrastructure and men having not yet taken equal responsibility for care within families.

Paid parental leave helps to keep women connected to the labour market. While Budget 2021 extended paid Parent's Leave by three weeks, it is proposed that this will not take effect until April 2021, leaving parents without this crucial support during a period where it is extremely challenging to access childcare for babies.

COVID-19 has provided us with a unique opportunity to reexamine our approach to work to ensure it is sustainable into the future. In this context, the National Economic Plan should look at how reduced working time, such as a four-day week, would help to facilitate a more equal distribution of care between women and men, supporting both to play more of a role in child-rearing as well as care of older family members. As well as the benefits to workers, the four-day week has benefits for both business and the environment.

NWC recommends:

- Provide additional resources to ensure that parents have a statutory right to a broad spectrum of paid maternity, paternity, parental leave and carers leave
 - Introduce the 3 additional weeks of Parents Leave committed to in Budget 2021 with immediate effect
 - Ensure by 2021 parents will each have an individual entitlement to 7 weeks of paid parental leave, as per First Five
 - Commit to paid parents leave of 26 weeks over the lifetime of the plan
 - Convert existing unpaid parental leave to paid leave
 - Increase the rate of maternity, paternity and parental benefit to €295 per week to bring more in line with EU norms
- Examine the reorganisation of work, reduced working time and the 4-day week

Embed Gender and Equality Proofing

With a Budget amounting to over €17.75bn and a €7.4bn July Stimulus package, Ireland has spent record amounts of public money in 2020. In addition, under current EU funding proposals, Ireland stands to benefit from €1.2bn under the Recovery and Resilience Facility and €123m under the Just Transition Fund. While Budget 2021 contained some welcome commitments that will support gender equality in the area of health and help to combat violence against women, overall, NWC is concerned at the lack of attention to gender equality in economic decision making.

The disproportionate impact of previous austerity measures on women and discrimination in access to income supports during the pandemic¹⁷, underscores the need for gender and equality proofing. Comprehensive gender budgeting must encompass equality for diverse groups of women and men and take into account how intersecting oppression and discrimination impacts on women's experiences of a policy or budgetary decision.

Women need to be active partners in driving an equal recovery. Despite a commitment in *Our Shared Future* to create new models of sectoral engagement, there was no reference to social dialogue in Budget 2021. Effective social dialogue is an essential part of a functioning democracy. It should be transparent and accountable, focus on working collectively and ensuring participation of marginalised and excluded

¹⁷ Women returning from maternity leave were excluded from accessing the Temporary Wage Subsidy Scheme set up during the pandemic, necessitating a referral to IHREC by NWC

communities and with parity of esteem between civil society organisations and other sectors.¹⁸

NWC recommends:

- Ensure the National Economic Plan is gender and equality proofed and include a section on this in the plan
 - Publish gender and equality disaggregated data on the beneficiaries of projects and investments.
 - Ensure that all major capital infrastructure investment has been gender impact assessed
- Ensure that gender equality is a core element of wellbeing budget developments
- Ensure recovery measures benefit both society and the economy by developing new models of social dialogue and engagement that include civil society organisations

Deliver a Feminist Green New Deal

International research has established that as climate impacts increase, existing inequalities, deprivation and exclusion will be worsened, with the worst impacts on women.¹⁹ It is therefore welcome that the National Economic Plan proposes to include a greener, future economy as a key focus. Investment in high-quality social, physical and digital infrastructures, including public services, are a prerequisite for a shift to a greener economy that is capable of promoting decent and sustainable work.²⁰

Our transition to a greener economy must be a just transition and all measures must incorporate mitigation and climate justice investments to ensure rural communities, households experiencing energy poverty or those on low incomes do not experience further inequality and poverty. While there was some attempt to offset the effect of an increase in carbon tax on low income households in Budget 2021, eligibility criteria for fuel allowance means that many of those on low incomes will not be able to benefit and will be disproportionately affected by the increase.

NWC and partners in 56 coalitions, networks and organisations have put forward proposals for a just recovery, based on six key principles: protect and invest in public services, prioritising public health and wellbeing; invest in people; deliver faster and fairer climate action and restore and protect nature; build solidarity and community across borders; ensure inclusive and participatory decision-making; and redefine progress through a focus on wellbeing and sustainable development.²¹ These principles would form a useful basis to guide commitments in the National Economic Plan.

NWC recommends:

- Incorporate principles of a just recovery, set out by NWC, Stop Climate Chaos and partners, into the National Economic Plan
- Ensure all just transition legislation policies & investment are gender & poverty proofed
- National planning must ensure Irelands climate polluting emissions reduce by a minimum of 8% annually
- Introduce ‘polluter pays’ environmental tax measures, remove fossil fuel subsidies and divest from fossil fuel investment
- Prioritise rural and urban public transport infrastructure, including cycling, over roads building
- Invest in a just transition plan for rural development including ending intensive livestock production

¹⁸ Community Platform (2020). Valuing social dialogue. <https://communityplatform.ie/wp-content/uploads/2020/07/Valuing-Social-Dialogue-1.pdf>

¹⁹ European parliament-The Gender Dimension of Climate Justice 2015

²⁰ Global Commission on the Future of Work (2019). Work for a brighter future. ILO.

²¹ https://www.stopclimatechaos.ie/assets/files/pdf/a_shared_vision_for_a_just_recovery.pdf

Invest in an equal and sustainable recovery

There were welcome investments in Budget 2021 to address the emergency that is COVID-19, including extensions of income supports for workers. However, the National Economic Plan must go beyond emergency measures and set out a plan to increase investment over the long term to provide the public services and social infrastructure we need.

While acknowledging the need for investment in Budget 2021, Minister Paschal Donohoe also referred to moving “our national finances back to a balanced position”, requiring “decisions in the future about how we reduce our deficit”.²² Rather than reducing spending, the deficit can be reduced through economic growth. The IMF has advised that austerity can do more harm than good, and that “simply living with high debt and allowing debt ratios to decline organically through growth is underappreciated”.

The historical agreement by the EU to borrow collectively to fund the COVID-19 recovery is a clear recognition of the need to invest to recover from the social and economic effects of COVID. The European Commission’s MFF and Next Generation EU plans note the need for exceptional measures requiring massive public investment to support a resilient economy. Ireland must follow the EU through focusing on an investment led recovery with green investment and a Just Transition framework a priority.²³ This in turn will create healthier and more equal societies which will support sustainable productivity as well as additional tax revenue.

NWC’s Budget 2021 submission²⁴ set out our proposals to fund a feminist, economic recovery with **a plan that is based on public services, fair taxation, valuing the care economy, equality and sustainability**. Tax plays a key role in shaping Irish society through funding our public services and social infrastructure, supporting economic activity and progressively redistributing resources. Ireland needs to increase its tax take in a fair, progressive, sustainable and gender sensitive way.

NWC recommends:

- Fund investment in much needed public services and social infrastructure through borrowing while interest rates are low and increasing our tax take over the coming years
- Set out a pathway to increase tax take in a fair, progressive, sustainable and gender sensitive way by:
 - Introducing a wealth tax, a financial transaction tax and a minimum effective corporate tax rate
 - Standard rating tax relief on pensions
 - Removing fossil fuel subsidies and ensuring tax policy matches our goals on a low carbon economy
- Task the Commission on Taxation and Social Welfare with:
 - Carrying out a review of all individual and sectoral tax expenditures, assessing their cost and gender and equality impacts
 - Examining how employers’ PRSI can be increased to fund social infrastructure

²² Minister Paschal Donohoe (2020). Budget day speech.

²³ <https://www.businesspost.ie/columnists/aidan-regan-greens-must-avoid-falling-into-deficit-trap-87a3571a?auth=login>

²⁴ NWC (2020). A Feminist Recovery Plan. https://www.nwci.ie/images/uploads/National_Womens_Council_Pre-Budget_Submission_2021.pdf