



Limerick CHAMBER

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Limerick Chamber Submission National Women's Strategy 2017

Limerick Chamber represents over 500 businesses in Limerick City, Limerick County, Shannon and South East Clare and is the largest chamber in the Mid-West region. The forthcoming National Women's Strategy will be a key Government policy to further promote the advancement of women across all sectors of Irish society. Each of the proposed high-level objectives to be included in the forthcoming National Women's Strategy has a key role to play in advancing the position of women in Irish society. From a business perspective two issues are of immense importance namely: advancing socio-economic equality for women and girls; and, advancing women in leadership. Limerick Chamber view as positive the introduction of a standalone objective on leadership as it is something that had been missing from the 2007 strategy.

Advance Socio-Economic Equality for Women and Girls

One of the main indicators employed in assessing socio-economic equality are statistics related to the participation of women in employment¹. The Europe 2020 Strategy sets out a target of a 75% employment rate for women and men in the age group 20-64 by 2020; albeit due to a derogation granted because of the economic downturn, the relevant target for Ireland is 69 to 71% for both men and women. The latest data reported to the EU for 2015 sets Ireland's participation rate at 68.7 per cent, close to achieving that target². However, it must be recognised that this target can mask significant gender differences. A more accurate representation of the participation gap may be obtained by examining the age group from 25-64, as a significant proportion under 25 are likely to be in full time education. At this age grouping, the gender gap is stark with the participation rate for women at 69 per cent compared to 86 per cent for men.

The inability to retain women in the workplace is posing a significant economic cost on Irish society and has implications at an enterprise and national level. Ireland's ageing population is creating significant downward pressure on our labour supply with knock-on effects on the availability of skills and talent, and the provision of our social services. It is striking that as of Q3 2016, there are over 110,000 women with a third level qualification outside the labour

¹ Interim Review National Women's Strategy 2007-2016

² <http://ec.europa.eu/eurostat/web/europe-2020-indicators>

force in Ireland, almost three times the number of men. It is also worth noting that a quarter of women in the 25-44 age group are inactive in the labour market. It is not surprising that this coincides with key child bearing years.

Greater female participation in the work force has the potential to address the growing need for skills and talent in the Irish economy while at the same time relieving labour market pressure and boosting economic growth. A UK study estimates that a one per cent increase in maternal employment would result in a net gain to the exchequer of £200 million per year³. At an enterprise level, greater female participation has been shown to improve business performance in terms of improved productivity, innovation and reputation.

The 75 per cent target set out by the Europe 2020 Strategy requires that Member States identify actions to be undertaken in order to achieve the targets set out. In many cases, the European Commission specifies recommendations for individual countries. The National Women's Strategy Progress Report 2015 recognised that while Ireland has yet to receive recommendations from the European Commission on this issue, previous recommendations to other Member States focused on the availability of childcare services, the gender pay gap and tax disincentives to dual income family structures.

Child Care

The cost of childcare in Ireland has been consistently identified as a barrier to retaining women in employment. It has been noted in numerous studies that Irish people are paying almost twice as much as the EU average for childcare costs⁴ which is clearly a barrier to employment. Enhancing the availability of high quality, affordable childcare is important to make participation in the labour force more attractive to parents. While steps have been made to address some of these issues, notably the introduction of the Single Affordable Childcare Scheme⁵ and the extension of the Early Childhood Care and Education Scheme⁶ these improvements still do not meet parent's needs. The ECCE scheme operates for 38 weeks in the year, 5 days a week, 3 hours per day with parents paying for any additional hours. The Single Affordable Childcare Scheme requires the use of a Tulsa childcare provider which is putting added pressure on service providers and raises the question will providers be able to meet rising demand in the coming years. Limerick Chamber believe that while the new approach is correct and is moving us towards the EU norm, there is a need for additional investment and funding for these schemes to have a tangible benefits.

³ Childmind the Gap. Reforming Childcare to Support Mothers Into Work. Institute for Public Policy Research, 2014

⁴ http://ec.europa.eu/justice/gender-equality/files/documents/130910_egge_out_of_school_en.pdf
<https://www.ncn.ie/images/PDFs/BigStartSubmissionNov2016.pdf>

⁵ From September 2017 a new [Single Affordable Childcare Scheme](#) will provide a targeted subsidy, based on parental income, for children aged between 6 months and 15 years and a universal subsidy, for all families, for children aged between 6 months and 3 years.

⁶ The Early Childhood Care and Education (ECCE) Scheme provides early childhood care and education for children of pre-school age. From September 2016, children will be able to start ECCE when they reach 3 years of age and continue until they transfer to primary school.

Gender Pay Gap

Addressing the Gender Pay Gap would also promote many of those outside the labour force to return. According to a 2015 Eurostat report, the gender pay gap in Ireland stands at 14 per cent. However, more worrying is the fact that a 2016 study by Morgan McKinley found that the gender pay gap widens with the number of years of experience that women have⁷. Not only is this a barrier to women returning to work, it is also a barrier for women to advance into leadership roles where additional responsibilities and workload may not be properly compensated.

To address this issue, detailed information is needed on the gender pay gap, and should take account of not just gross hourly earnings but also the prevalence of part time working and bonus payments within companies. Requiring employers to disclose the gender pay gap in their organisations will allow the identification of sectors where the gap is particularly large. For instance, the Morgan McKinley study found that the financial services sector has the highest pay gap at 29%, while the technology and professional services sectors have the lowest gap, at between 3% and 8%. More detailed data should promote action on gender inequalities and would also allow for progress in achieving parity to be more accurately assessed.

Return to Work Initiatives

Investment in child care provision and addressing the gender pay gap will assist in addressing some of the issues that are impacting on women leaving and not returning to the workplace. However, there is also a cohort of women who are unable or have chosen to stay outside the labour market even after children have been cared for. Currently, activation policies for women who have chosen to remain outside the labour market is limited. It has been recognised that returning to work after an extended period of leave can create challenges for women with the Department of Justice and Equality's providing training focusing on self-development and work related skills. While this is often a necessary step in encouraging women to return to work, there is also a need to consider what factors may be acting as a disincentive to women returning to work. The need for flexible working agreements have been indicated as an issue impacting on women's ability to return to full time work, as has the tax treatment of married couples. Likewise, the need to update technical skills in a dynamic working environment can be difficult for women returning from a period of extended leave. A number of international companies offer 'returnships'⁸ which are generally short term paid employment contracts targeted at returning professionals with the prospect of a full-time position on completion, generally in senior corporate roles. Internationally, several companies currently offer such 'Return to Work' programmes including Deloitte, Morgan Stanley, EY, Vodafone among many others. Consideration should be given to working with industry to seek to establish a 'Return to Work' programme which would assist women in updating their necessary skills and promoting flexible working arrangements. By tapping into

⁷ https://www.morganmckinley.ie/sites/morganmckinley.ie/files/gender_pay_gap_in_ireland_2016.pdf

⁸ The term 'Returnship' is trademarked by Goldman Sachs.

the large cohort of women who are currently outside the labour force, we have the potential to address the significant skills shortage that is imminent in the marketplace.

Entrepreneurship

Promoting female entrepreneurship is an important aspect of advancing the Socio-Economic Equality of Women. The need to stimulate female entrepreneurship in Ireland has been recognised in numerous government reports⁹. Many of these reports have identified the need to make start up initiatives more accessible for female entrepreneurs, publicise role models and establish specific mentoring services for women. The majority of these actions were also identified in the previous National Women's Strategy and have been key inputs to the Action Plan for Jobs.

According to the GEM 2014 Entrepreneurship Report¹⁰, the level of entrepreneurial activity by women in Ireland remained consistent at approximately 4 per cent in the period from 2010-2014. However, the Enterprise Ireland Female Entrepreneurship Unit which was set up in 2013 has recorded strong improvements in the level of female entrepreneurship. The proportion of women participating in Enterprise Ireland's High Potential Start-Up has increased from 8 per cent in 2012 to 20 per cent in 2015¹¹. This is clearly a positive development and suggests that continued investment in this programme is required alongside ongoing evaluation. However, while 20 per cent is a significant improvement, it is also important that we continue to develop further and identify and address other underlying impediments to female entrepreneurship, including unconscious selection bias and policy factors.

It is worth noting that the 2014 study "Entrepreneurship in Ireland: Strengthening the Start-up Community" called for three specific measures to support female entrepreneurship namely:

- continue the programme of targeted and tailored supports for female entrepreneurs;
- the maternity leave scheme should be amended to enable a woman to transfer a portion of her maternity leave and benefits to the father of the child; and,
- the qualifying weeks in terms of Pay-Related-Social-Insurance (PRSI) payments to qualify for maternity leave should be the same for female entrepreneurs as for female employees and the advance notice should also be similar.

The lack of action on the last two issues is disappointing and needs to be put back on the policy agenda once again.

Maternity Benefit

⁹ Small Business Forum report by Forfas (2006); 'Towards Developing an Entrepreneurship Policy for Ireland' by Forfas (2007); Entrepreneurship in Ireland: Strengthening the Start-up Community 2014;

¹⁰ The 2014 report is the latest that is currently available.

¹¹ <https://www.djei.ie/en/What-We-Do/Business-Sectoral-Initiatives/Entrepreneurship-/Female-Entrepreneurship/>

The operation of the maternity benefit scheme at present is skewed in favour of employees given that the qualifying conditions differ for those who are self-employed. The requirement for the self-employed to provide 12 weeks' notice, compared to 6 weeks for employees, and to have 52 weeks PRSI contributions, compared with 39 weeks for employees is acting as an impediment to women setting up new businesses and creating jobs¹². This impediment was recognised by a 2015 Joint Committee on Jobs, Enterprise and Innovation which examined the challenges facing female entrepreneurs in Ireland and recommended that the Government should consider extending the qualifying terms for maternity benefit to female entrepreneurs as currently exist for female employees. Similar discrepancies also exist in relation to paternity benefit which requires application for the payment to be made 4 weeks before going on paternity leave compared with 12 weeks' notice if you are self-employed.

A further impediment to the current maternity benefit regime is the inability to transfer a portion of maternity leave to the child's father or other care provider. While the introduction of the paternity leave policy in Ireland has made some progress in recognising the needs for the other parent, it does not go far enough. The entitlement of two weeks paid leave under the paternity leave policy does not recognise the changing structure of Irish families and does not recognise difficult financial implications that can arise during maternity leave. This can be particularly evident for self-employed women who may need to finish their maternity leave entitlement early in order to return to work and ensure the viability of their business. However, it is equally applicable for employed women whose financial contribution to the home may exceed that of their partner and thus require them to return to work earlier.

The ability to split maternity leave had been mooted by the Government previously but there has been little action in this regard. Consideration should be given to transferring some of the time allowed under maternity leave to paternity leave thereby allowing parents to share entitlements. Other jurisdictions such as Canada and more recently the UK have introduced measures which allow parents the choice to split leave. In Canada, maternity leave is available for a maximum of 17 weeks for the mother, while parental leave available to a maximum of 35 weeks can be split between the parents. Equally in the UK, the option exists for women to end maternity leave and opt for Shared Parental Leave with their partner. Such measures will assist in shifting gender roles to normalize equal shares of unpaid work at home and will further recognise the changing composition of families and their needs. Furthermore, it should also limit selection bias in workplaces towards women of child bearing age.

Women in Leadership

Limerick Chamber welcomes the introduction of the standalone objective of advancing women in leadership in the forthcoming Women's Strategy. Gender balance at senior levels

¹² White (2013), the Entrepreneurship Forum Report (2014) and the Joint Committee on Jobs, Enterprise and Innovation (2015)

of an organisation encourages better leadership, governance, innovation and overall improves board and company performance. A Chartered Institute of Management Accountants study found that companies can gain from benefit more diverse leadership, including more innovative approaches to problem-solving¹³.

Currently, in Ireland 41 per cent of Irish companies have no female directors, while women only accounted for 17 per cent of new director appointments in 2016. However, it is not just an issue in the private sector. Data from the Higher education authority indicates that women account for only 19 per cent of professors in Irish Universities, while in Institutes of Technology, women account for only 29 per cent of Senior Staff. In the political space, women are also underrepresented accounting for 22 per cent of elected TD's, albeit up on previous years.

Recent research by the 30% club in the UK suggests that it will take 224 years for women to reach gender parity in leadership and management¹⁴. Such findings are reinforced by the PwC's *2016 Annual Corporate Directors Survey* which found that 97% of male directors believe the optimal percentage of female representation on a public company board should be less than 20 per cent¹⁵. Clearly without specific actions on this issue, progress will be far too slow.

Gender quotas should be supported until parity begins to appear. Furthermore, third level institutions should be encouraged to obtain the Athena Swan accreditation which requires universities and institutes of technology to look at their policies, procedures and culture to enhance equal representation. Of course, there is also a need to address underlying issues in Irish society which discourage women from participating at senior levels, including unconscious gender-bias, particularly in our education system, lack of visibility of female role models among others. Possible actions include measures to inform employers of the benefits of gender diversity and training on the impacts of gender bias in the work place in terms of hiring and retention. Consideration should also be given to putting in place accreditation programmes similar to the Athena Swan for other public sector bodies and potentially for the private sector.

Actions

To ensure the success of the National Women's Strategy it is imperative the realistic targets and actions are identified for each of the key objectives and that an ongoing process of performance measurement and improvement is undertaken. Limerick Chamber believes that a necessary factor in the success of the strategy is to adopt an all-inclusive approach rather than the piecemeal adoption of policies. Little will be achieved in investing in childcare if actions are not taken to address other issues such as the gender pay gap, maternity leave or supporting women in the workplace. It is also vital that there is a coordination of policy across the various departments. As many of the aforementioned issues relate to

¹³http://www.cimaglobal.com/Documents/Thought_leadership_docs/Women%20in%20leadership/women_in_leadership_report.pdf

¹⁴ Presentation of the 30 per cent club at Dublin City University.

¹⁵ <http://www.cgma.org/magazine/news/pages/corporate-board-diversity-201615447.aspx>

employment, consideration should be given to including actions in the national and regional Action Plan for Jobs. The Action Plan for Jobs is key economic strategy for the country and it is positive to note that the plan sets out a number of actions in relation to women in the workplace including:

- 1. Fund locally delivered courses for women which will comprise a series of training opportunities on self-development and work related skills to assist a return to the labour market and promoting entrepreneurship.*
- 2. Examine the issues surrounding the preponderance of women on the national minimum wage and report its views in relation to the underlying causes.*
- 3. Carry out a review of the Women in Business Network*
- 4. Support the International Women in Business Conference held as part of the Rose of Tralee Festival.*

Consideration should now be given to broaden the range of actions within the plan to take account of the updated National Women's Strategy. The Regional Action Plan for Jobs also presents an opportunity to trial specific measures such as the idea of 'returnships', addressing the gender pay gap, promoting women in leadership or other similar industry collaboration initiatives.

Ends.

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