



# **Introduction and Summary**

SIPTU would like to thank the Citizens' Assembly for the opportunity to make this submission on gender equality. In our submission we will focus on issues impacting on gender, work and the workplace.

SIPTU is the largest trade union in Ireland. We represent workers in all sectors of the economy in both the public and private sector. Representing approximately 200,000 workers, almost half of whom are women, our trade union has been at the forefront of campaigning on issues impacting on gender equality for over century. Despite numerous advances however, women remain disadvantaged in the workplace, in the labour market and in Irish society.

Women workers pay a heavy price for their gender. No single submission can address the full-range of barriers to equality that women workers face. One particular challenge is that, in the context of a *Just Transition* to more sustainable economic and social activities, we will need to significantly improve pay and working conditions for women who already disproportionately experience low-pay and precarious living standards.

For that reason, our submission highlights the most critical issues that our members confront at work and makes recommendations for improved equality outcomes. We hope the Citizens' Assembly will consider our recommendations when drafting its report.

The following summarises SIPTU's recommendations:

- → The introduction of a legal right to collective bargaining
- → The introduction of a legal right to flexible working arrangements
- → An expansion of in-work family benefits (maternity, paternity and parental benefit)
- → That years spent engaging in caring work be acknowledged in the State pension and the proposed auto-enrolment pension
- → A substantial increase in investment in childcare to create a professionalised workforce delivering quality affordable childcare
- → Investment in supports for carers in the community
- → The State to directly employ lone parents and other disadvantaged groups who find it difficult to access employment in the economy (that is, the State acts as an employer of last resort)
- → Introduction of a range of health and welfare measures in the workplace (paid domestic violence leave, menstrual and menopause leave, free sanitary products, and reform of breastfeeding legislation)

We hope that the proposals outlined in our submission will stimulate debate over the remedies that are needed to improve working conditions and promote equality, not only in the workplace but throughout society.

On behalf of SIPTU, I would like to thank the Citizens' Assembly for their consideration of these proposals. We would be happy to supply further information on these and related issues upon request and would welcome an opportunity to address the Citizens' Assembly on the issues and proposals outlined in this submission.

**Ethel Buckley** 

**SIPTU Deputy General Secretary for Organising and Membership Development** 

## 1. Women and Collective Bargaining

Collective bargaining is the process whereby employees in a workplace come together to negotiate wages, working conditions, hours of work, social benefits (e.g. pensions, sick pay) training, health and safety, overtime, grievance mechanisms and rights to participate in the decision-making process of the company with their employer.

In all other EU countries employees have a right to bargain collectively with their employer (e.g. in Northern Ireland and Britain, if 50 percent of employees choose to bargain collectively, the employers must respect that decision and enter into negotiations). Ireland is a European exception. Workers in the Republic of Ireland do not have the legal right to bargain collectively even though the owners of a company do (they bargain collectively through management). This is despite provisions for collective bargaining contained in the Charter of Fundamental Rights of the European Union and International Labour Organisation conventions.

The absence of a legal right to collective bargaining impacts more negatively on women workers in Ireland than their male counterparts. This is because collective bargaining is particularly beneficial for women. Its benefits can be seen not only in better pay but in working conditions such as preventing precarious work and zero hours contracts, improved work/life balance and increased availability of flexible working arrangements.

#### **Gender Pay Gap**

The Irish unadjusted gender pay gap is slightly below the EU average. However, this hides considerable variations within the economy. In the private sector, Ireland has the 8<sup>th</sup> highest gender pay gap - well above the EU average - while in the public sector the Irish gender pay gap is the 6<sup>th</sup> lowest.<sup>1</sup> . A key reason for this is collective bargaining. Whereas collective bargaining is pervasive across the public sector, only 15 percent of private sector workers are covered under collective bargaining agreements. This means the majority of employees in the private sector have less bargaining power than their counterparts in the public sector.<sup>2</sup>

Collective bargaining has been shown to reduce the gender wage gap. A study of 22 countries covering a 10-year period found that collective bargaining both reduced wage inequality in the workplace and raised the wage floor which benefited women since they occupied the lower income deciles.<sup>3</sup> In another cross-country analysis, the authors found that the fact that collective bargaining reduced the gender pay gap, 'stands to reason because collective bargaining tends to set high wage floors thereby equalising

<sup>&</sup>lt;sup>1</sup> Eurostat Gender pay gap in unadjusted form by type of ownership: <a href="https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\_gr\_gpgr2ct&lang=en">https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\_gr\_gpgr2ct&lang=en</a>

<sup>&</sup>lt;sup>2</sup> Collective bargaining systems and workers' voice arrangements in OECD countries; OECD; Sandrine Cazes S., Andrea Garnero A/, Sébastien Martin.S and Chloé Touzet, C; 2019; <a href="https://www.oecd-ilibrary.org/sites/a6ebacb7-en/index.html?itemId=/content/component/a6ebacb7-en/index.html?itemId=/content/conten

<sup>&</sup>lt;sup>3</sup> Understanding International Differences in the Gender Pay Gap, Blau, F., Kahn, L., Journal of Labor Economics; January 2003: https://www.journals.uchicago.edu/doi/abs/10.1086/344125

earnings'.<sup>4</sup> Another survey showed that collectively-regulated wage structures reduce direct gender pay discrimination compared to individualised pay systems where managerial prerogative prevails.<sup>5</sup>

In Ireland, ESRI researchers examined the impact of national wage agreements, a form of centralised bargaining, and found that women in part-time employment clearly benefited from collective agreements in terms of closing the gender pay gap (full-time female employees benefited from national agreements but less so at firm level).<sup>6</sup> This is consistent with other studies that show larger gains for women from collective bargaining. One survey showed that women in workplaces with collective agreements earned 26 percent more than women in non-unionised workplaces while the gap for men was 15 percent.<sup>7</sup>



The data is clear: women experience higher levels of low-pay than men. Ireland has the second highest level of female low pay among its peer group in the EU

(other high-income countries) at 26 percent.<sup>8</sup> More than one-in-four women in work are officially categorised as low-paid. Men in Ireland, however, had a low pay rate of 17 percent.

It has now been well established that over the last 20 years increasing inequality

throughout Europe and the US is a direct result of the decline of collective bargaining and workers' 'voice'. The IMF<sup>9</sup> has found a causal link between rising inequality and the decline in workplace collective bargaining while the OECD has made similar findings.<sup>10</sup> Richard Wilkinson and Kate Pickett - authors of the ground-breaking 2010 work *The Spirit Level* found that over a 30-year period 'as trade union membership declined, inequality increased'.<sup>11</sup> Women have been particularly hard hit as they struggle

<sup>&</sup>lt;sup>4</sup> The Gender Pay Gap: A Cross-Country Analysis; Polachek, S., Xiang, J.; 2006: <a href="https://www.researchgate.net/profile/Solomon\_Polachek/publication/253146419\_The\_Gender\_Pay\_Gap\_A\_Cross-Country\_Analysis/links/55a5266608aef604aa04274a/The-Gender-Pay-Gap-A-Cross-Country-Analysis.pdf">https://www.researchgate.net/profile/Solomon\_Polachek/publication/253146419\_The\_Gender\_Pay\_Gap\_A\_Cross-Country\_Analysis.pdf</a>

<sup>&</sup>lt;sup>5</sup> Rubery, J. 2007. Undervaluing Women's Work, Equal Opportunities Commission Manchester, Working Paper Series No 53: <a href="http://www.equalityhumanrights.com/uploaded-files/equalpay/undervaluing-womens-work.pdf">http://www.equalityhumanrights.com/uploaded-files/equalpay/undervaluing-womens-work.pdf</a>

<sup>&</sup>lt;sup>6</sup> The impact of wage bargaining and worker preferences on the gender pay gap; McGuinness, S.; Kelly, E., O'Connell, P.; European Journal of Industrial Relations, August, 2011: https://journals.sagepub.com/doi/abs/10.1177/0959680111410962

<sup>&</sup>lt;sup>7</sup> The Union Effect in California #2: Gains for Women, Workers of Color, and Immigrants', UC Berkeley Labour Centre 2018

<sup>&</sup>lt;sup>8</sup> Eurostat, Low-wage earners as a proportion of all employees (excluding apprentices) by sex: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\_ses\_pub1s&lang=en

<sup>&</sup>lt;sup>9</sup> Inequality and Labor Market Institutions, Jaumotte, F., Buitron, C., International Monetary Fund, 2015: https://www.imf.org/en/News/Articles/2015/09/28/04/53/soint071015a

<sup>&</sup>lt;sup>10</sup> Negotiating Our Way Up, OECD, 2019: <a href="https://www.oecd-ilibrary.org/docserver/1fd2da34-en.pdf?expires=1582893507&id=id&accname=guest&checksum=3DD9BC81E7AED8F1E23B5B219F061C2C">https://www.oecd-ilibrary.org/docserver/1fd2da34-en.pdf?expires=1582893507&id=id&accname=guest&checksum=3DD9BC81E7AED8F1E23B5B219F061C2C</a>

<sup>&</sup>lt;sup>11</sup> The importance of the labour movement in reducing inequality, Wilkinson, R., Pickett, K.; July 2014: http://classonline.org.uk/docs/2013 04 Thinkpiece - labour movement and a more equal society.pdf

with part-time work, caring responsibilities, occupational segregation (where a high proportion of women are employed in relatively low-paid occupations) and cultural prejudices.

Collective bargaining is a powerful instrument to reduce wage inequality and the gender pay gap. It will have a crucial role in confronting the challenge of a *Just Transition* to more sustainable economic and social activities. We will need to significantly improve pay and working conditions for women who already disproportionately experience low pay and precarious living standards.

#### Women's Voice

Collective bargaining is often seen merely as a means for determining workers' wages. But it is much more. It is a rule-making process that provides employees a 'voice' in influencing their contracts and workplace conditions. Collective bargaining is a means for the enfranchisement of people at work. It covers a number of issues that are of particular concern to women:

- Working hours/rosters/unsocial hours
- Reconciliation of work and family life
- Training and career development
- Transparency in pay systems/job classification
- Pay surveys/pay audits
- Job evaluation/low value of women's work
- Gender sensitivity in performance pay
- Safety, health and welfare in the workplace (including sexual harassment and bullying)

Through collective representation, employees can avail of professional advice in accessing their rights in the workplace (e.g. health and safety) and be provided support in grievance and disciplinary procedures within their company. Even where there are statutory rules and guidelines, collective representation is necessary to ensure such rules and guidelines are implemented in the workplace.

#### A Matter of Respect

Ultimately, collective bargaining is a matter of respect – respect for the decision by employees to bargain together with their employer and respect for the employees themselves. It is about moving away from hierarchical and patriarchal systems of management to more democratic and inclusive structures.

There are attempts to pose collective bargaining as undermining company performance but the opposite is the case. The OECD found that 'co-ordinated collective bargaining systems are associated with higher employment, lower unemployment, a better integration of vulnerable groups and less wage inequality, and better productivity outcomes . . . these systems help strengthen the resilience of the economy against business-cycle downturns'. Acas the labour advisory, conciliation and arbitration service in the UK - found that countries with stronger participation rights, such as collective bargaining, tend to perform better on several productivity related measures.<sup>12</sup> The International Labour Organisation

<sup>&</sup>lt;sup>12</sup> Acas (2015) 'Building Productivity in the UK' ACAS Report.

has found that workplaces with a trade union are more likely to demonstrate higher productivity work practices.<sup>13</sup>

But none of this is too surprising. Just as in many walks of life, treating people with respect is likely to lead to better outcomes for everyone. It is the same for the workplace.

SIPTU asks the Citizens Assembly to recommend:

→ That all employees be provided with the legal right to collective bargaining; where there are a significant number of employees in a workplace who wish to bargain together (collectively) employers will be required to respect that decision and negotiate in good faith.

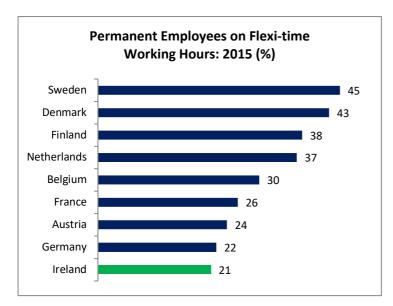
<sup>&</sup>lt;sup>13</sup> Appelbaum, E., Hoffer Gittell, J., and Leana, C. (2011) 'High Performance Work Practices and Sustainable Economic Growth' Researchgate Publication.

# 2. Employee-Led Flexible Working Hours

The benefits of flexible working time are well known. It provides the opportunity for employees to shape their working hours around their household needs. Studies have shown that women benefit more than men from flexible working and that there is a greater demand for flexible working hours among women. 15

There are different types of flexible working arrangements

- Flexi-time: freedom to work in a location of choice outside core hours where appropriate
- Staggered hours: different start, finish and break times
- Compressed working hours: cover standard working hours in fewer working days
- **Job sharing**: one full-time job is split between two employees
- **Self-rostering**: employees nominate the shifts they prefer
- **Term-time working**: remain on a permanent contract but take paid/ unpaid leave during school holidays
- Annual hours: employees' contracted hours are calculated over a year
- **V-time working**: reduction / increase of work hours for a fixed period with a guarantee of returning to previous hours
- **Home working/teleworking**: working from home or somewhere else away from the employer's premises



There are a number of arrangements that people can avail of to ensure the desired level of work-life and work-care balance.

However, Ireland lags well behind our peer group in the EU. Irish employees do not have a statutory right to flexible working hours or even the right to request<sup>16</sup> as in Britain<sup>17</sup> and Northern Ireland<sup>18</sup>. The proportion of employees working

<sup>&</sup>lt;sup>14</sup> Impact of Flexible Working Hours on Work-Life Balance, S. Shagvaliyeva and R. Yazdanifard, American Journal of Industrial and Business Management, Vol. 4 No. 1, 2014

<sup>&</sup>lt;sup>15</sup> Women and Flexible Working, Amna Silim and Alfie Stirling, Institute for Policy Research, 2014

<sup>&</sup>lt;sup>16</sup> There is a statutory right to request changes to working hours or patterns of work, which is limited to employees returning from parental leave. Otherwise, flexible working arrangements are at the discretion of the employer.

<sup>&</sup>lt;sup>17</sup> GOV UK Flexible Working: https://www.gov.uk/flexible-working

<sup>&</sup>lt;sup>18</sup> NI Direct Government Services, Flexible Working and Work/Life Balance: <a href="https://www.nidirect.gov.uk/articles/flexible-working-and-work-life-balance">https://www.nidirect.gov.uk/articles/flexible-working-and-work-life-balance</a>

flexible hours is the lowest among our EU peer group. 19

In addition, the 1999 EU Directive on Part-time Working was not satisfactorily transposed into Irish law. The Directive requires employers to take into consideration requests by workers to transfer from full-time to part-time work or vice versa or to increase their working time should the opportunity arise. In Ireland, instead of legislation, this directive is governed by a protocol.

### The Right to Shape Working Hours

The new EU Directive on Work-Life Balance<sup>20</sup> can be a start. Ratified last year, it provides for a 'right to request flexible working arrangements for caring purposes'. Employees will be entitled to request adjustments to 'their working patterns, including through the use of remote working arrangements, flexible working schedules, or reduced working hours'. Further, the Directive specifies that 'employers shall consider and respond to requests for flexible working arrangements . . . within a reasonable period of time, taking into account the needs of both the employer and the worker. Employers shall provide reasons for any refusal of such a request or for any postponement of such arrangements.'

All employees, not just carers, should be entitled to a right to flexible working hours. This right should be exercised through (a) the right to request flexible working hours; (b) a requirement that employers consider such a request; and (c) if the request is refused, the employer must provide an alternative flexible working arrangement; and (d) all such employer responses must be in writing.

This new system of employee-led flexible working arrangements would put the onus on employers to justify why such employee requests cannot be granted and to provide an alternative arrangement.

Critics might claim that such a system would put an additional cost on the employer. However, there is near universal agreement that flexible working arrangements increase productivity at firm level. Academics studying the impact on businesses have found positive impact<sup>21</sup>, productivity increases of 10 percent<sup>22</sup>, particular positive impact when women make up a higher proportion of

<sup>&</sup>lt;sup>19</sup> European Working Conditions Survey 2015: <a href="https://www.eurofound.europa.eu/data/european-working-conditions-survey">https://www.eurofound.europa.eu/data/european-working-conditions-survey</a>

<sup>&</sup>lt;sup>20</sup> Directive on Work-Life Balance for Parents and Carers, Council Directive 2010/18/EU: https://data.consilium.europa.eu/doc/document/PE-20-2019-INIT/en/pdf

<sup>&</sup>lt;sup>21</sup> Work and family programs and productivity: Estimates applying a production function model; Thomas J. Clifton, Edward Shepard; International Journal of Manpower; December 2004: https://www.emerald.com/insight/content/doi/10.1108/01437720410570036/full/html

<sup>&</sup>lt;sup>22</sup> Flexible Work Hours and Productivity: Some Evidence from the Pharmaceutical Industry; Shepard, E., Clifton, T., Kruse, D.; Industrial Relations; January 1996: <a href="https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-232X.1996.tb00398.x">https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-232X.1996.tb00398.x</a>

the workforce<sup>23</sup>, reduced absenteeism and sick leave (again, especially among women)<sup>24</sup>, and positive economic impact<sup>25</sup>. One study stated<sup>26</sup>:

'If innovation and labour productivity are considered key to long-term survival, firms and policymakers should consider internal labour flexibility practices.'

Recently, human resource organisations have been conducting surveys of employees, producing similar results increased job satisfaction, reduced illness and stress (and, so, less turnover), while providing employees with more work/life balance including more time with their families.<sup>27</sup>

SIPTU asks the Citizens Assembly to recommend:

→ The legal right of all employees to flexible working arrangements with the onus on employers to provide flexible working – whether granting the employee request or providing an alternative.

news/aat-research-shows-the-benefits-of-flexible-working

<sup>&</sup>lt;sup>23</sup> The impact of work-life programs on firm productivity; Konrad, A.; Mangel, R.; Strategic Management Journal, November 2000: <a href="https://onlinelibrary.wiley.com/doi/abs/10.1002/1097-0266(200012)21:12%3C1225::AID-SMJ135%3E3.0.CO;2-3">https://onlinelibrary.wiley.com/doi/abs/10.1002/1097-0266(200012)21:12%3C1225::AID-SMJ135%3E3.0.CO;2-3</a>

<sup>&</sup>lt;sup>24</sup> The Effects of Working Time on Productivity and Firm Performance, Research Synthesis Paper, International Labor Organisation, Conditions of Work and Employment Series; ; Golden, L.'; September, 2012: https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=2149325

<sup>&</sup>lt;sup>25</sup> Flexible Workplace Practices and Labor Productivity; IZA Discussion Paper No. 700; Bauer, T.' March 2003: <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=382842">https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=382842</a>

<sup>&</sup>lt;sup>26</sup> Labour Productivity and Innovation Performance; Preenan, P., Vergeer, R., Krann, K. Krann; Economic and Industrial Democracy, March 2015: <a href="https://journals.sagepub.com/doi/abs/10.1177/0143831X15572836">https://journals.sagepub.com/doi/abs/10.1177/0143831X15572836</a>
<a href="https://www.aat.org.uk/aat-research">27 AAT research shows the benefits of flexible working, December 2018: https://www.aat.org.uk/aat-research</a>

# 3. In-Work Family Benefits

For women in employment in Ireland, family support benefits are relatively weak. Take, for example, maternity benefit. Having a baby is an extremely expensive time for households. Estimates of the cost of a baby in the first year range from €4,200 to €8,000<sup>28</sup> and even higher (and this doesn't include the cost of childcare when the caring parent returns to work).

However, during this period, most Irish households suffer a serious drop in income. This is due to our low levels of parental benefits.

#### (a) Maternity Benefit

Maternity Benefit is a social insurance benefit<sup>29</sup>. Women receive a flat-rate €245 per week, regardless of their wage. This amounts to 30 percent of the average full-time wage. This compares badly with other EU countries that provide pay-related benefit.<sup>30</sup>

- In Austria, Denmark, France, Germany, the Netherlands, Spain and Portugal 100 percent of an employee's wage is paid. In all, 14 out of 27 EU countries pay 100 percent of the wage
- Italy, Sweden and Belgium pay approximately 80 percent of employee's wage while others pay 70 to 75 percent.

If an average-waged woman working in Ireland received the same level of Maternity Benefit as Danish, Dutch and German women she would receive €800 per week, approximately €550 per week more than the current benefit. In terms of maternity benefit, Ireland is an extreme outlier.

48 percent of women employees on maternity leave receive a top-up from their employer (though not necessarily up to their full wage).<sup>31</sup> However, this is heavily weighted towards the public and financial sectors. The majority of women in the private sector do not receive any top-up. Further, mothers educated to Leaving Certificate level were about half as likely as mothers with a degree to receive a top-up from their employer. Lone parents, women with an unemployed partner, low-income earners and non-Irish women are also less likely to receive a top-up payment.

Another issue is the provision that, after 26 weeks paid maternity leave, women are entitled to take up 16 week, unpaid maternity leave. However, only 41 percent took any unpaid leave and of those

<sup>&</sup>lt;sup>28</sup> How much will baby's first year cost?, Mummy Pages: <a href="https://www.mummypages.ie/-how-much-will-babys-first-year-cost">https://www.mummypages.ie/-how-much-will-babys-first-year-cost</a> Revealed: the Staggering Cost of Raising a Baby in its 1<sup>st</sup> year, Irish Independent, October 4<sup>th</sup> 2017: <a href="https://www.independent.ie/business/personal-finance/revealed-the-staggering-cost-of-raising-a-baby-in-its-first-year-36196755.html">https://www.independent.ie/business/personal-finance/revealed-the-staggering-cost-of-raising-a-baby-in-its-first-year-36196755.html</a>

<sup>&</sup>lt;sup>29</sup> Payments to families and children, Citizens Information Board:

https://www.citizensinformation.ie/en/social\_welfare/social\_welfare\_payments\_to\_families\_and\_children/payments\_to\_families\_and\_children.html

 $<sup>^{\</sup>rm 30}$  EU Parliament Maternity and Paternity Leave at a Glance:

https://www.europarl.europa.eu/RegData/etudes/ATAG/2019/635586/EPRS ATA(2019)635586 EN.pdf

<sup>&</sup>lt;sup>31</sup> Pregnancy at Work: A National Survey; Russell, H., Watson, D., and Banks, J.; Health Services Executive, Crisis Pregnancy Programme, Equality Authority; 2011:

https://www.ihrec.ie/download/pdf/pregnancy at work a national survey.pdf

who did the majority took less than the full 16 week entitlement. Reasons for this range from financial and employer pressures to concerns over return to employment and impact on career.

#### (b) Paternity Benefit

Irish paternity benefit for fathers is also weak. Fathers in Ireland receive 10 days paternity leave at €245 per week. Many other countries offer up to three weeks leave (Finland offers nine weeks). Again, in many of these countries receive 80 to 100 percent of pay.

### (c) Parental and Parents Benefit

There are two types of parental leave:

- Parent's Leave (Benefit): this social insurance benefit provides for two weeks leave in respect of children less than one year of age (or first year of adoption). Payment is the same as Maternity/Paternity Benefit; that is, €245 per week.
- Parental Leave: this provides 22 weeks unpaid leave in respect of children under 12 years

Other EU countries provide more generous benefits though comparisons are difficult given the complexity of systems. In Germany, for instance, parents receive up to 12 months leave at 67 percent of earnings, with unpaid leave for older children. In Austria, parents can take up to three years with five different compensation options.

#### A New Insurance Deal for Parents

Two principles should inform a new insurance deal for parents. First, incomes during all forms of parental leave should be maintained; and, secondly, all employees should enjoy the same support regardless of income or occupation. On the basis of these principles:

- Maternity Benefit would be paid at 100 percent of the previous wage-bringing Ireland in line with most other EU countries.
- Paternity Benefit would be paid at 100 percent of the previous wage with the duration extended to two months, or eight weeks.
- Parent's Benefit following the end of maternity leave parental benefit would be extended to 26 weeks at 67 percent of previous wage (this would replace unpaid leave) and be interchangeable between the parents. Following the first year, paid leave would be extended to three weeks per year up to the age of 12.

This would constitute a transformation in family support and work/life balance, ensure that all employees enjoy similar supports and put us on a par with best practice in Europe. There are considerable economic and social benefits beyond the benefits to households: a reduction in costs to firms already providing top-up supports out of their own resources; maintenance of consumer demand during the period of paid leave; and a contribution to an increased fertility rate — a key consideration in reducing age-dependency ratios and potential pension costs. Further, it would remove discrimination in family supports as all parents regardless of what sector or company they work in would receive the same benefits.

The main beneficiary, however, would be parents who would be in a stronger financial position to share household caring duties; and for children who would have more time with their parents at a crucial stage in their lives.

SIPTU asks the Citizens Assembly to recommend:

→ Placing family benefits on a pay-related basis and extend such paid leave for both women and men

# 4. Acknowledging Care Work in the Pension System

The current pension system disadvantages women. Women's pensions are 35 percent below that of men constituting a pension gender gap.<sup>32</sup> The underlying problems are structural in nature: shorter working years in the formal economy (due in large part to caring in the home), higher levels of part-time work (women make up 71 percent of part-time employees but only 40 percent of full-time), and lower earnings (women make up between 60 and 95 percent in low-paid sectors such as retail and childcare respectively). This is reinforced by lack of access to occupational pensions: 55 percent of men have supplementary pensions (primarily occupational) but only 28 percent of women do.

As the pension system is based on work in the formal economy, it will reflect the economic structural inequalities. This makes ending the pension gender gap difficult without structural reforms.

In this section, SIPTU wants to address one important issue that can be resolved in the short term — the treatment of caring for the purposes of pension entitlement. Under the contributory state pension the Government has already announced that caring work in the home will be treated equally with employment in the formal economy through credit contributions<sup>33</sup>. This is a positive step.

However, problems could arise with the proposed supplementary retirement savings system in which workers will be automatically enrolled (i.e. auto-enrolment pensions). These defined-contribution pensions will be delivered through private pensions with employees and employers making an equal contribution, with supplementary contributions from the State.

It may be difficult for such a system to adequately acknowledge caring in the home. If the carer temporarily leaves the workforce, there is no employer to make a contribution and the carer may not be in a financial position to make the same level of contributions as when they were in work. In short, considerable gaps in contributions could emerge - unlike the state pensions where caring is provided with a credited contribution as if they were in employment.

It is imperative that caring work be acknowledged in both systems equally. If this doesn't happen, it will be difficult to close the pension gender gap.

SIPTU asks the Citizens Assembly to recommend:

→ That years spent in caring work be treated equally in the state pension and autoenrolment pensions

<sup>&</sup>lt;sup>32</sup> Gender, Pensions and Income in Retirement; Nolan, A., Whelan, A., McGuinness, S.' and Maitre, B.' Economic and Social Research Institute, September 2019:

https://static.rasset.ie/documents/news/2019/09/esri-pensions.pdf

<sup>&</sup>lt;sup>33</sup> A Roadmap for Pensions Reform 2018 – 202, Government of Ireland: https://assets.gov.ie/10968/9740541c18cc4eaf92554ff158800c6f.pdf

# 5. Acknowledging Care Work in the Community

The care of children and older people is highly gendered. The overwhelming majority of carers of children in the home are women. 98 percent of employees in Early Years Services (e.g. childcare, early education) are women<sup>34</sup>. Women undertake 65 percent of all unpaid care in the home<sup>35</sup>.

SIPTU proposes to look at two specific issues regarding care in the community: formal childcare and carers in the home.

#### **Formal Childcare**

The Irish childcare system is broken. Childcare fees are the highest in the EU<sup>36</sup> while 60 percent of employees in the childcare sector – almost all women – earn below the Living Wage of €12.30 per hour. Many early years professionals are forced to sign on the dole when the childcare facility in which they work is closed for summer holiday. Our childcare system is widely recognised as being a significant barrier to greater labour force participation by women – as households can't afford the fees.

Irish childcare is not treated as a professional public service. Affordability and professionalisation are opposed to one another. If a provider wants to improve wages and working conditions, they must increase fees (thus undermining affordability and women's participation in the labour force). If a provider wants to reduce fees, they must squeeze pay and working conditions (as labour makes up 70 percent of providers' expenditure).

The problems of affordability and professionalisation are opposed to each other under the current model. We need a new model. SIPTU has proposed that:

- The Government take over the payment of wages in the childcare sector similar to what happens in the early education (the 15-hours free education for three and four year olds) and primary school sectors. This would immediately reduce providers' costs by 70 percent.
- Childcare fees would only need to cover the providers' non-labour costs. These fees would be capped at, for example, €60 per week a generous amount to cover such costs.

Under these proposals, affordability and professionalisation now work together, not against each other. The first step the Government should take is to raise all pay in the sector to a Living Wage minimum as part of a medium term strategy to ensure wages and working conditions reflect the growing professionalisation of the sector.

Under these proposals women will have greater access to the labour market while employees can bargain for appropriate wages and working conditions.

https://www.pobal.ie/app/uploads/2019/12/Annual-Early-Years-Sector-Profile-Report-AEYSPR-2018-19.pdf

https://www.cso.ie/en/releasesandpublications/ep/p-cp9hdc/p8hdc/p9cr/

<sup>&</sup>lt;sup>34</sup> Annual Early Years Sector Profile Report 2018/19, Pobal:

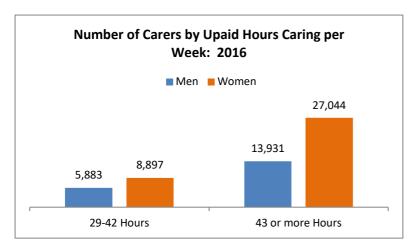
<sup>&</sup>lt;sup>35</sup> Census of Population 2016 – Profile 9 Health, Disability and Carers, CSO:

<sup>&</sup>lt;sup>36</sup> Key Data on Early Childhood 2019, Eurydice Report: <a href="https://eacea.ec.europa.eu/national-policies/eurydice/content/key-data-early-childhood-education-and-care-europe---2019-edition-en-">https://eacea.ec.europa.eu/national-policies/eurydice/content/key-data-early-childhood-education-and-care-europe---2019-edition-en-</a>

#### **Carers in the Home**

Here we focus on supports for caring for older people. However, these principles can also be applied to carers of those with disabilities and children with special needs. Broadly speaking, there are three types of social support for older people:

- **Home Support Services for Older People**: a non means-tested public service operated through the HSE to help older people remain in their home and to assist unpaid carers.
- Unpaid carers: this is mostly provided by relatives, Ireland has the third highest weekly hours of unpaid work for both women and men in the EU.<sup>37</sup>
- Institutional care: this is primarily made up of public and private nursing homes.



There are 195,000 people providing unpaid care to others (older people, people with disabilities, young people in need of support) with 17,000 providing 24-hour care. A considerable majority of carers are women – 66 percent.<sup>38</sup> 28 percent of full-time unpaid carers are also holding down a job (employees).

The numbers of carers will grow

given the demographic pressures Irish society is experiencing.

We will need a revolution in care in the community to meet the challenges ahead – integrating the services available for caring for older people: home support services, unpaid care and institutional care. This will require a substantial increase in home service supports and direct supports for unpaid carers.

Regarding the latter, the Carers Allowance is inadequate. It is means-tested and provides poor remuneration (€219 per week) for what is essentially a full-time occupation. This full-time contribution has a considerable positive impact, not only for those receiving the care in the community, but in reducing the demand for expensive institutional care (it costs €84,000 annually to

<sup>&</sup>lt;sup>37</sup> Caring and Unpaid Work in Ireland; Russell, H., Grotti, R., McGinnity, F. and Privalko, I.; prepared for the Irish Human Rights and Equality Commission by the Economic and Social Research Institute; 2019: <a href="https://www.ihrec.ie/app/uploads/2019/07/Caring-and-Unpaid-Work-in-Ireland\_Final.pdf">https://www.ihrec.ie/app/uploads/2019/07/Caring-and-Unpaid-Work-in-Ireland\_Final.pdf</a>

<sup>&</sup>lt;sup>38</sup> CSO Census 2016 Profile 9 - Health, Disability and Carers: https://www.cso.ie/en/csolatestnews/presspages/2017/census2016profile9-healthdisabilityandcarers/

provide care in a nursing home)<sup>39</sup>. The social and economic gains for investing in care in the community are evident.

This calls for a statutory right to care in the community through support services and cash transfers along with proper remuneration for full-time carers in households.

For childcare and care for older people in the community, SIPTU asks the Citizens Assembly to recommend:

→ Childcare be treated as a public service by (a) the state taking over a substantial proportion of providers expenditure (i.e. wages and in-work benefits) and (b) caps on childcare fees to ensure affordability and greater labour force participation for women

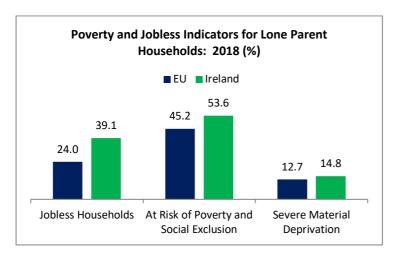
AND

→ Provide a statutory right to care in the community and acknowledge full-time carers by paying them a full-time allowance

<sup>39</sup> HSE publishes cost of providing care in public residential services for older people, Health Services Executive: <a href="https://www.hse.ie/eng/services/news/media/pressrel/hse-publishes-cost-of-providing-care-in-public-residential-services-for-older-people.html">https://www.hse.ie/eng/services/news/media/pressrel/hse-publishes-cost-of-providing-care-in-public-residential-services-for-older-people.html</a>

# 6. Employer of Last Resort for Lone Parents

Lone parents in Ireland 86 percent of whom are women<sup>40</sup> - face particular disadvantages. Nearly 40 percent experience low work-intensity (that is, jobless households)<sup>41</sup> while over 50 percent experience poverty and social exclusion<sup>42</sup>. This has led to high levels of *severe* material deprivation<sup>43</sup>. In the EU, Ireland is unfortunately a league leader.



Given that the EU includes much poorer counties and Ireland has the second highest level of national income, our above average performance is dismal.

A number of factors contribute to joblessness and poverty in lone parent households: lack of community supports (e.g. childcare services), lack of employment opportunities with appropriate work/life balance, the interface of social protection and work income, lack of market skills, etc. We cannot rely on market-based policies to resolve this. We cannot hope that training and back-to-education schemes – valuable as they can be – can prepare lone parent households for employment especially if appropriate jobs do not exist.

We need substantial state intervention. We need the state to directly employ lone parents on temporary contracts through public agencies and civil society groups to engage in socially-beneficial work.

This is called an 'employer of last resort' programme whereby the State actively intervenes for households that have specific disadvantages in accessing employment in the market. Any such

<sup>&</sup>lt;sup>40</sup> Census of Population 2016 - Profile 4 Households and Families, CSO: https://www.cso.ie/en/releasesandpublications/ep/p-cp4hf/cp4hf/fmls/

<sup>&</sup>lt;sup>41</sup> Eurostat People living in households with very low work intensity by income quintile and household type: <a href="https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\_lvhl13&lang=en">https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\_lvhl13&lang=en</a>

<sup>&</sup>lt;sup>42</sup> Eurostat People at risk of poverty or social exclusion by income quintile and household type: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\_peps03&lang=en

<sup>&</sup>lt;sup>43</sup> Eurostat Severe material deprivation rate by income quintile and household type: <a href="https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\_mddd13&lang=en">https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\_mddd13&lang=en</a>

programme could be developed from the former Gateway scheme<sup>44</sup>, an activation initiative managed by local authorities. However, there would be key differences. A new programme:

- Would be managed by public agencies and civil society and other non-profit organisations.
- Would provide full-time work at full-time pay on temporary contracts of, for example, two to three years. Participants would be employees in every sense of the word and be able to access supporting social protection programmes (e.g. Working Family Payment).
- Would ensure that employees would engage in socially-beneficial work.
- The programme would be co-designed and co-monitored by public officials, trade unions and civil society groups to ensure efficient outcomes and that there is no work displacement.

This would be a voluntary scheme for employee-participants. They would be given support in work through connecting them with community supports (e.g. childcare) and providing a specially tailored training/education scheme to overcome skill deficits. There are considerable advantages for employee-participants as it can:

- Improve their employability and work readiness
- Boost the participants' motivation and confidence.
- Provide participants with a work reference at the end of the contract.

Not only would this end poverty and joblessness especially-beneficial to children in these households - it would support the development and delivery of socially-beneficial community services. The Gateway initiative, through local authorities, provided concrete examples of socially-beneficial work:

GIS mapping \* HR – to assist in running with Gateway projects \* CMAS communications \* digitising records, town and country files \* ergonomic assessments \* sustainable energy projects \* Using CRM for health and safety tracking \* LCDC administration \* marketing and promotional work for local enterprise (buy/source local campaigns) \* records management and data entry \* social media (website, Facebook, Twitter) \* library supports \* basic horticultural work \* Amenity improvement schemes \* sports development (e.g. walking, basketball and soccer clubs) \* local museum supports (research, reception, security, exhibit guide) \* historical sites \* arts programmes for key groups (e.g. arts and disability) \* tourism supports

The types of work could be expanded with the participation of civil society and not-for-profit organisations.

This programme need not be confined to lone parents. There are other disadvantaged groups, notably the chronically long-term unemployed (e.g. three years or longer), people with disabilities and Travellers. These households also experience low-work intensity and deprivation.

https://www.citizensinformation.ie/en/employment/unemployment and redundancy/employment support schemes/gateway scheme.html

<sup>&</sup>lt;sup>44</sup> Gateway Scheme, Citizens Information Board:

It is not only individuals who would benefit from such a programme. The communities they live in would benefit from the additional spending power such employment would generate – spending power that would spread through local businesses that would, in turn, be able to employ more and provide wage rises. An employer of last resort can begin to create a race-to-the-top in terms of employment and income.

SIPTU asks the Citizens Assembly to recommend that:

→ The State launches an employer of last resort programme aimed to help, in the first instance, lone parents.

# 7. Women's Health and Welfare in the Workplace

There are issues that are particular to women's health and welfare in the workplace. Creating a workplace where women can adapt their working time to accommodate their health needs or can receive health supports is crucial to ensuring women's full health participation in work.

#### 1. Gender based violence and sexual harassment in the workplace

All workers have the right to work free from sexual harassment as a human right, a workplace right and a safety right. Yet workplace sexual harassment and gender based violence continues to be widespread and pervasive. Women bear the brunt of sexual harassment at work with international studies showing that around 1 in 3 working women will experience sexual harassment in the workplace over the course of their working life.

A survey of trade union members conducted by the Irish Congress of Trade Unions<sup>45</sup> found that the most common incident of sexual harassment reported by respondents was verbal e.g. unwelcome jokes of a sexual nature (half of all incidents); verbal sexual advances (40 percent), comments of a sexual nature about their body or clothes (a third). Around one in seven respondents reported experiencing unwanted sexual touching or attempts to kiss them. Two per cent reported being seriously sexually assaulted or raped at work, of which five respondents said that this occurred within the past 12 months.

In line with existing research, the survey found that in eight out of ten cases (81 per cent) the harasser was a man. For the majority, the perpetrator is a colleague (half of all incidents). One in three reported that their direct manager or another manager was their harasser.

The ICTU survey found that a high number of workers experiencing sexual harassment take no action either formal or informal and an unacceptably high level express dissatisfaction with their employer's actions among those who do report. Four in five workers (81 per cent) took no action, while only one in four of the small minority who did report sexual harassment to their employer felt it was taken seriously and dealt with satisfactorily. Three quarters felt that it was not dealt with satisfactorily, half of whom reported that they were treated worse as a result e.g. passed over for promotion or other opportunities targeted for further bullying or harassment.

The Employment Equality Act places a legal requirement on employers to have a policy and procedures in place to prevent sexual harassment in their workplace and to deal robustly with any complaints. However, the number of complainants who are dissatisfied with the handling of their complaint or the outcome remains persistently high. In addition, the number of women who do not report incidents points to serious failures in the system.

Workers need to know that, if they make a compit will be taken seriously and that appropriate sanctions will be taken against perpetrators.

<sup>&</sup>lt;sup>45</sup> ICTU Survey reveals Shockingly High Levels of Under-Reporting of Sexual Harassment at Work; 25 Nov 2019: https://www.ictu.ie/press/2019/11/25/ictu-survey-reveals-shockingly-high-levels-of-unde/

We need to see employers in Ireland committing to more urgent action and to communicating a zero tolerance for harassing behaviours in the workplace. Employers who fail to meet their obligations in relation to sexual harassment should face significant sanctions.

#### 2. Menstrual Leave

Menstruation and the menstrual cycle remain taboo subjects in most workplaces. Not only are menstruating women still stigmatised<sup>46</sup>, there is a tendency to treat the pain and discomfort that women face in the workplace as a minor matter, if that. This is despite studies showing that up to 20 percent of women experience pain severe enough to interfere with daily activities (dysmenorrhea)<sup>47</sup>.

In several countries, women may avail of statutory leave during menstruation.<sup>48</sup> So far, Italy is the only country that has debated introducing statutory menstrual leave (though legislative proposals were debated, there was no agreement on the issue). A number of concerns were raised, including the danger that statutory menstrual leave could result in employers discriminating against women in hiring and promotion. That not all women face pain or discomfort only complicated how such a leave should be granted in law.

There should be a national conversation about the subject of menstruation and workplace responses. This conversation should include menstrual leave.

An immediate step that can be taken is that all toilets on company premises, in addition to providing toilet paper, soap, and hand-drying equipment free of charge should also include sanitary products.

#### 3. Menopause

Similarly, menopause remains a taboo subject with women finding it difficult to raise the issue with their manager. In Northern Ireland, the Irish Congress of Trade Unions<sup>49</sup> found that half of women stated that menopause had been 'treated as a joke' in the workplace; only 40 percent would 'feel comfortable' discussing menopause in the workplace while 55 percent said that the gender of their line manager would influence their decision to raise the issue. This is despite the fact that 81 per cent of women in menopause will experience symptoms; 45 per cent will endure moderate to severe symptoms.<sup>50</sup> These symptoms can have a significant impact on women's' health and wellbeing. The menopause affects women when they are often juggling demanding jobs, school-age children and

<sup>&</sup>lt;sup>46</sup> "Feminine Protection": The Effects of Menstruation on Attitudes Towards Women, Psychology of Women Quarterly, Roberts, T., Goldenberg, J., Power, C.

<sup>&</sup>lt;sup>47</sup> Clinical Evidence Handbook, American Family Physician, 2012: https://www.aafp.org/afp/2012/0215/p386.html

<sup>&</sup>lt;sup>48</sup> In Some Countries, Women Get Days Off for Period Pain, Pattani, A., New York Times, July 2017: https://www.nytimes.com/2017/07/24/health/period-pain-paid-time-off-policy.html

<sup>&</sup>lt;sup>49</sup> How does the Menopause affect Women in the Workplace? Results from an ICTU Survey: <a href="https://www.ictuni.org/download/pdf/ictu\_menopause\_survey\_results.pdf">https://www.ictuni.org/download/pdf/ictu\_menopause\_survey\_results.pdf</a>

<sup>&</sup>lt;sup>50</sup> One Irish woman's mission to destigmatise menopause, Sweeney, T., Evoke, November 2019: <a href="https://evoke.ie/2019/11/02/health/one-irish-womans-mission-to-destigmatise-menopause">https://evoke.ie/2019/11/02/health/one-irish-womans-mission-to-destigmatise-menopause</a>

elderly parents. This can have an impact on emotional wellbeing and lead to excessive levels of stress. 51

In the UK the Employment Tribunal held that an employers' failure to deal with menopausal symptoms was discriminatory under the Equality Act. This calls for a similar response in Ireland; namely, a requirement that employers deal with medical conditions arising out of menopause in the same way as they would deal with other medical conditions.<sup>52</sup>

SIPTU calls for a national conversation on the subject of a statutory menopausal leave. In the short-term there should be a statutory recognition of menopausal symptoms as a medical condition, requiring that employers treat it as such.

#### 4. Domestic Violence and Abuse

Domestic abuse is considered to be the physical, sexual, financial, emotional or psychological abuse of one person against another within a family environment or by an intimate current or former partner.

Domestic abuse can exact a considerable physical, psychological and financial toll on victims. In the workplace this can manifest itself in absenteeism and lowered performance. Workplaces must adopt guidelines to help identify victims of domestic violence and abuse so that employers, managers, trade union representatives and work colleagues can provide a safe and supportive environment. A crucial part of this support should be the introduction of paid domestic leave. This has already been introduced in New Zealand<sup>53</sup> and the Philippines<sup>54</sup>. Following the New Zealand example, a new Domestic Violence leave should be introduced, allowing for up to 10 days of full paid leave.

### 5. Breastfeeding

Under maternity protection legislation<sup>55</sup> certain women in employment who are breastfeeding are entitled to take time off work each day in order to breastfeed (including expressing milk). The provision applies to all women in employment who have given birth within the previous 6 months. Women are entitled to one hour per day (which can be taken as a 60 minute break, two 30 minute breaks or three 20 minute breaks). Where there are no facilities in work to accommodate breastfeeding (employers don't have to provide these if it would give rise to considerable costs) the women are entitled to a reduction of working hours without loss of pay to facilitate breastfeeding.

https://www.citizensinformation.ie/en/birth family relationships/after your baby is born/breastfeeding.html

<sup>&</sup>lt;sup>51</sup> Menopause at Work, Irish Nurses and Midwife Organisation, May 2019: https://inmo.ie/tempDocs/20190514091138 WebMenopause%20Position%20PaperSM.pdf

<sup>&</sup>lt;sup>52</sup> The menopause & the Equality Act: why it pays to provide support, Hawes, C.; HR Grapevine, January 2018: <a href="https://www.hrgrapevine.com/content/article/insight-2018-01-29-the-menopause-and-the-equality-act-why-it-pays-to-provide-support">https://www.hrgrapevine.com/content/article/insight-2018-01-29-the-menopause-and-the-equality-act-why-it-pays-to-provide-support</a>

<sup>&</sup>lt;sup>53</sup> A huge win': New Zealand brings in paid domestic violence leave; the Guardian, 26 July 2018: <a href="https://www.theguardian.com/world/2018/jul/26/new-zealand-paid-domestic-violence-leave-jan-logie">https://www.theguardian.com/world/2018/jul/26/new-zealand-paid-domestic-violence-leave-jan-logie</a>

<sup>&</sup>lt;sup>54</sup> Republic Act 9262; Philippine Commission on Women: <a href="http://pcw.gov.ph/law/republic-act-9262">http://pcw.gov.ph/law/republic-act-9262</a>

<sup>&</sup>lt;sup>55</sup> Breastfeeding, Citizens Advice Board,

This is positive legislation. However, it only applies to women who gave birth in the previous six months. This effectively means the provisions only apply to women who have returned to work early (i.e. not taken their full maternity leave). For women who have taken their full paid leave, they have no entitlement to breastfeeding in the workplace. Therefore, most women will not be able to benefit from this protection. This can be remedied easily by extending the provision to mothers who continue to breastfeed their children, regardless of duration.

SIPTU asks the Citizens Assembly to recommend:

→ The Government to publish a Green Paper on Women's Health and Welfare in the workplace, covering all the health and welfare issues impacting on women, potential legislative protections and employer requirements.

#### And

→ In the short-term, workplaces be required to provide sanitary products in toilets and that legislation covering breastfeeding be amended to provide women with the option of breastfeeding without an arbitrary end date.

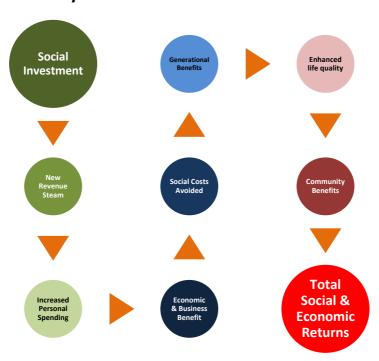
#### And

→ That domestic violence leave be introduced at full pay.

# 8. Investing in Gender Equality

The following provides a financial and social impact of our gender equality proposals. Such impact assessments are necessarily limited. Models that measure social investment on public finances and economic growth do so only imperfectly. For instance, we know that lifting households with children out of poverty increases the chances of those children remaining in education, increasing their skills and their income in adult life. However, we don't have a way to adequately measure this 'return on investment'. We know that a community with enhanced life quality has lower social costs than areas of poor quality but we don't have a way to satisfactorily measure this in GDP terms. And we find it difficult to measure the impact of higher job satisfaction (which produces higher productivity) on the economy as a whole.

### **Dynamics of Social Investment**



Therefore we will outline 'costs' (where we have them) and benefits in the hope of capturing the dynamic of social investment which provides benefits to households, communities, workplaces and society (of which the economy is a part).

### 1. Women and Collective Bargaining

Collective bargaining increases wages. This will actually raise revenue for the Government through higher income taxes (including the Universal Social Charge), PRSI contributions and consumption taxes (i.e. VAT, excise, etc.). Further, it can reduce public spending on subsidies to low-income groups such as the Working Family Payment.

Many oppose collective bargaining in the interests of business. However, firms that engage in collective bargaining experience productivity and performance increases, with lower staff turnover costs. Further, businesses that rely on the spending power of Irish employees benefit from the

higher wages and personal spending. There could be downsides in terms of price rises and reduced investment but these are usually countered by increased productivity.

Collective bargaining is crucial in implementing other reforms in the workplace. For instance, ensuring that flexible working hours are introduced in a way that benefits women or that women's health measures are adequately introduced requires workplace monitoring and compliance which collective representation provides.

#### 2. Employee-Led Flexible Working Hours

This is not likely to have a significant cost impact. While there may be an initial cost in managerial resources in moving to a flexible workplace, this should be treated as an investment since flexible working raises productivity and firm performance. To the extent that this happens, not only does business benefit; the economy increases revenue through greater efficiencies.

#### 3. In-Work Family Benefits

It is difficult to cost the introduction of pay-related family benefits but it will be significant and requires considerable reform of our tax and social insurance system. Increasing social insurance benefits does not necessitate tax increases as benefits are paid out of the Social Insurance Fund (SIF). It will, however, require increases in PRSI contributions.

Irish employers' PRSI (currently 10.75 percent of an employee's wage) is one of the lowest in the EU, approximately half the EU average. In many countries employers' PRSI exceeds 25 and even 30 percent. Employers' PRSI is not a tax on jobs as it is sometimes argued. It is part of an employees' compensation package. Employers pay a *direct* wage to the employee and a *social wage* which is paid to the SIF. It is from the SIF that employees can draw down income in times of need (e.g. unemployment, illness, pregnancy, occupational injuries, old age).

Increasing the *social wage* should be part of the collective bargaining process, integrating increases in the direct and social wage. The in-work benefits would be phased in over a number of years as well as any increase in the social wage (employers' PRSI). For instance, a fractional increase of 0.1 percentage point in employers' PRSI would raise €90 million and, on average, cost employers less than 80 cents per week. For many businesses, the impact would be even less as they would no longer have to top up maternity and parental benefits out of their own resources.

### 4. Acknowledging Care Work in the Pension System

Providing contribution credits for the state pension in respect of caring in the home is already government policy. Introducing credited contributions to an auto-enrolment scheme will be more difficult. It can be paid for by direct state contribution or by a fractional levy on proposed contributions from employees, employers and the self-employed. Costs will be spread out over decades.

<sup>&</sup>lt;sup>56</sup> European Commission, Trends in Taxation in Europe 2019: https://ec.europa.eu/taxation\_customs/business/economic-analysis-taxation/taxation-trends-eu-union\_en\_

### 5. Acknowledging Care Work in the Community

SIPTU estimates that it would cost approximately €280 million for the State to take responsibility to pay the wages of childcare employees. This would immediately remove approximately 70 percent of providers' expenditure and facilitate an equal reduction in childcare fees. To increase wages to a level that acknowledges the professionalisation of the sector would require an additional increase of €265 million. Both these payments could be phased in over five years. Reducing childcare fees (and, so, increasing household income) would result in higher consumption taxes and business sales while wage increases would be partly off-set by increased income and consumption tax revenue along with higher PRSI contributions.

We estimate that acknowledging care in the community for the 40,000 full-time carers would be considerable though it would depend on the level at which the new non means-tested allowance is set. This could amount to €450 million when reductions in social protection payments and tax revenue are factored in. This should also be set against the even higher cost of institutional care.

### 6. Employer of Last Resort

SIPTU estimates that the cost of full-time employment under a jobs guarantee scheme would be €17 million for every 1,000 participants. This includes additional Working Family Payments but does not include tax revenue arising from increased consumer spending. What is not counted is the long-term benefit of children no longer living in poverty households which has been shown to increase social and economic benefits when they become adults.

### 7. Women in the Workplace

Apart from the proposal to introduce domestic violence leave (cost unknown due to lack of data) there is no significant cost associated with the other proposals.

**End of Submission**