Contribution to The National Women's Council of Ireland's Shadow Report to the CEDAW Committee

October 2016

Introduction

Early Childhood Ireland (ECI) is the representative and support body for the early care and education (ECE) sector in Ireland. We have over 3,500 childcare members who support over 100,000 children and their families through preschool, afterschool and full day care provision nationwide. Our work includes quality enhancement, publications, advocacy, training, business support and information for a sector that employs 25,000 people. The best interests of the children is of utmost importance to ECI and we work to ensure that all children are thriving and learning in quality early childhood settings.

ECI welcomes this opportunity to contribute to the National Women's Council of Ireland's Shadow Report to the CEDAW Committee. We are concerned that the consistent underinvestment in the ECE sector specifically disadvantages women, negatively impacts on their economic empowerment and contributes toward prevailing gender inequality in Ireland. Our view is based on the fact that women make up the vast majority of the ECE workforce, and on the basis that women as mothers are typically the main carers for children. These two cohorts are economically disadvantaged by the State's failure to ensure a model of childcare in Ireland that can deliver:

1. The best quality care and education for children in the most formative years of their development;
2. Viability and sustainability for both early childhood services and their staff;
3. Access and affordability for parents to childcare facilities and services.

1. Women as the providers of early years care and education

While our perceptions and expectations of "women's work" have evolved over recent decades, with women increasingly entering into male dominated areas such as the STEM sector, progress is slow and particular areas of work, often with low pay and low status, continue to be dominated by women.

> "Women continue to be underrepresented in employment, overrepresented in part-time work and lower-paid sectors, and receive lower hourly wages even though they have surpassed men in educational attainment."[1]

This is strikingly true of the ECE sector, where 99% of a 25,000 strong workforce of owner/managers and Early Years Educators are women. The ECE sector has become increasingly professional over recent years but pay within the sector has not risen accordingly. ECI's recent report *Doing the Sums: The Real Cost of Providing Childcare (September, 2016),* found that the average Early Years Educator, who requires a minimum QQI Level 5 in Early Childhood Care and Education, is earning €11.12 per hour. This is below the living wage in Ireland of €11.50 per hour. The average Room Leader, who requires a minimum of Level 6 on the NQF and a bachelor degree in Early Childhood Studies/Early Education in order for its service to receive the higher ECCE capitation payment,[2] is earning €12.30 per hour. This is just over €1 extra per hour for having completed third level education and compares very badly to the average wage in the education sector of €33.90 per hour. In addition to poorly paid work, Early Years Educators undertake considerable unpaid non-contact time that is absolutely essential to the delivery of a quality pre-school experience for children. Many Early Years Educators are working part-time/38 week contracts, in line with the duration of the ECCE programme, and rely on Job Seekers Allowance over the summer months.

The situation for owner/ managers is not much better. The ECI report identified a tendency for many owner/ managers to reduce and even forego their salaries to address the financial difficulties facing their businesses, most significantly meeting staff wages and operational costs. Where providers do take a salary, the amount being paid is relatively low and does not reflect the cost, time and commitment involved. For example, the average salary for an owner/ manager of a private service operating for 50+ weeks in an urban setting is only €26,835.

Many services struggle to keep afloat over the summer months but, unlike their staff, self-employed ECE providers are not eligible for Job Seekers Allowance or other supplementary welfare payments to support them during this period when they have limited or no income. In addition to having no automatic entitlement to social welfare support or any entitlement to invalidity and disability benefit, self-employed providers are subject to much more stringent requirements than employees under the social welfare code.

The most worrying finding of the report is that the average childcare service in Ireland is operating on a breakeven basis. In the absence of significant State investment into the sector, there are only limited options available to support the financial sustainability of services, which are predicated on maintaining the status quo of an ECE workforce that is highly qualified, low paid and employed on part-time/38 week contracts.

[1] European Commission, First Preliminary Outline of a European Pillar of Social Rights. P.6.

[2] Early Childhood Care and Education (ECCE) programme, which offers two free pre-school years to children aged 3-5½ years and receives by far the largest proportion of funding of all ECE programmes in the sector.

Pension Time Bomb
All those employed in ECE services, including the self-employed, have access to the State Pension. However, Ireland is sitting on a pensions time bomb. According to CSO projections, by 2046 there will be just over two people of working age for every pensioner, and an estimated 1.41 million pensioners. There is a growing concern that people will be able to live on the State Pension alone in future years and is thus imperative that people, are actively encouraged and empowered to save independently for their post retirement income.

This is especially important for woman who are already significantly disadvantaged in the area of pensions. In Ireland:

- Women working outside the home are paid on average 14.4% less than men;
- Women typically have 37% less to live on in retirement than men;
- Women spend on average 12 years out of the workforce due to caregiving;[3]
- Women live on average 4.5 years longer than men;
- Women see a 45% drop in income after divorce;
- 9 out of 10 women will be solely responsible for their own financial well-being at some time in their lives.

It is recommended that people make provision in a private pension scheme of 15%, 20% and 25% of income in their 30s, 40s and 50s respectively.[4] In order to do so, people need sufficient pay and money to set aside. Knowing the extent of the pay crisis in the sector, ECI conducted a survey of service owners in 2014 to ascertain the extent of pension provision in the sector. The results are alarming:

- 92% of respondents had no exit strategy in place for retiring from their business;
- While 30% of respondents hoped to have an income on 50-80% of their current salary in retirement, 80% had no pension plan in place;
- 47% of respondents did not understand the statutory requirements for providing access to a PRSA salary deduction for their employees and only 20% of respondents actually had the scheme in place;
- 85% of respondents either didn't know or believed they would be entitled to the full State pension in retirement.

[3] Social Security Administration. (2002, February). Women and Social Security (Fact Sheet). Washington, DC: Author.
[4] Rachael Ingle, Managing Director at Aon Hewitt and former chairperson of the Irish Association of Pension Funds, The Irish Times Women's Podcast 18 January 2016 http://www.irishtimes.com/life-and-style/people/the-women-s-podcast-everything-you-wanted-to-know-about-pensions-but-were-afraid-to-ask-1.2499691

2. Women as the Primary Carers for Children

A staggering 93% of women in Ireland undertake three-quarters of all caring responsibility for their children, compared to 63% of women in Sweden.[5] Women, and particularly lone parents, are thus disproportionately impacted by the cost of childcare in Ireland, which acts as a gender barrier to work and education.

The Cost of Childcare in Ireland

Across the EU and OECD childcare costs between 10-13% of a family's income. In Ireland the average cost of childcare accounts for a massive 35% of household income. This rises to 40% for a lone parent on an average wage. Even for higher earners the percentage is 24% and still double the OECD average.[6] According to the European Commission (2016), as a percentage of wages, net childcare costs in Ireland are among the highest in the EU, the second highest for couples and the highest for single parents.

The cost of childcare is unaffordable for many parents and given the parallel crisis in the housing and private rental market, families are struggling to cope. This is not just a problem for Irish parents but for Irish society and our national economic well-being. The European Commission's analysis of the Irish economy and the structural challenges that must be addressed to sustain Ireland's economic recovery consistently identifies access to affordable childcare as a priority issue, in particular for women and low income families.[7]

In Budget 2017, Government made provision for the introduction of the new 'Single Affordable Childcare Scheme' from September 2017, including both targeted and universal elements. ECI strongly agrees with the approach that underlies the Budget announcements, which include a new Childcare Subsidy of €0.50 per hour for under 3s (equivalent to €20 per week for full-time care) that is universally applied, as well as the development of a new consolidated and enhanced targeted scheme so that families on low incomes can avail of greater supports on a graduated basis, thus directly addressing the needs of children at risk of poverty. To have any real impact on the affordability of childcare and the barriers to work and education currently being faced by women, the initial €19 million investment in 2017 needs to be increased consistently year on year. We envisage that the universal scheme should achieve a minimum subsidy of €1.50 (equivalent to €60 per week for full time care) by 2021.

The affordability crisis is further exacerbated by the fact that Ireland has the fourth shortest period of paid family leave in Europe and the gap between the end of paid leave (a maximum of six months given that two weeks of maternity leave must be taken prior to the child's birth) and the beginning of subsidised preschool under the ECCE programme is approximately 138 weeks, depending on when during the ECCE programme year a child turns three years old.[8]

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[5] ODI (March 2016) Women's work Mothers, children and the global childcare crisis https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10331.pdf

[6] Chambers Ireland (April, 2015) 'Submission to the Low Pay Commission'.

[7] European Commission "Country Report Ireland 2016."

[8] Oireachtas Library and Research Service (2016) 'Mind the gap: parenting, leave and childcare in Europe' in Research Matters for the 32nd Dáil and 25th Seanad. p.17.

Paid Parental Leave
There is growing research evidence on the beneficial outcomes, for a child, of being cared for by a parent for at least the first 12 months of life and ECI strongly advocates this position. Prior to the introduction of two weeks paid paternity leave from September 2016, Ireland was one of only nine European countries that had no paid paternity leave. Since its introduction and together with the provision of 26 weeks paid maternity leave, Ireland now offers a total of only 28 weeks paid leave (7 months),[9] compared to the average of 76 weeks (19 months) paid leave for parents across Europe.[10] Mindful that UNICEF recommends 12 months' paid leave as a minimum, ECI welcomes the Programme for Partnership Government commitment to "significantly increase parental leave in the first year of a child's life" and "prioritise paid parental leave in the first year".

Conclusion
At 0.3% of GDP,[11] Ireland's investment in childcare falls well short of the 0.8% average investment across the OECD, and the UNICEF international benchmark for ECE sector investment of 1% of GDP. We hope this submission has set out how the consistent underinvestment in the ECE sector specifically disadvantages women, negatively impacts on their economic empowerment and contributes toward prevailing gender inequality in Ireland. The State must recognise early care and education as essential social infrastructure, vital to the economic health of the nation and an area of specific and particular relevance to woman. The State must uphold its obligations to eliminate all forms of discrimination against woman by ensuring a model of childcare in Ireland that can deliver quality for children, sustainability for services and their staff, and affordability for parents.

[9] In most cases, this amounts to only 6 months of paid leave with the child since mothers are required to take a minimum of 2 weeks leave prior to the birth of the child and most fathers/partners will take their 2 weeks paid leave immediately after the birth of the child.
[10] Public Affairs Ireland (April, 2015) 'Current Developments in Family Leave'.
[11] When expenditure for young children in primary school education is excluded.