



Response to “Rebalancing the Northern Ireland Economy”

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The Women’s Resource and Development Agency (WRDA) is a regional organisation whose mission is to ‘advance women’s equality and participation in society by working to bring about social, political and economic change’. The organisation was established in 1983 and continues to focus its efforts on working with women and through community organisations located within disadvantaged and/or divided communities. WRDA is a membership organisation with over 400 members comprised of Women’s Groups, Organisations, and individual members.

The purpose of this consultation is to examine ways in which the Northern Ireland economy can be ‘rebalanced’. WRDA have just published a report entitled: *The Northern Ireland Economy: Women on the Edge? - A Comprehensive Analysis of the Impacts of the Financial Crisis*¹. This report provides detailed research and analysis of women’s position in the economy in terms of labour market and economic participation and income. Women have never been in the same economic position as men and we are very concerned that this situation is worsening due to the current economic downturn. Gender differentials in terms of economic participation are omitted from this document and therefore we believe that this document lacks a robust evidence base from which to properly analyse how the economy could be ‘rebalanced’.

There has been an abundance of research at a global level carried out evidencing that the role of women is essential to economic growth. Women are a vast untapped resource of economic potential. Women could play a more prominent role in the Northern Ireland economy if everything else was equal. Recognising the different lived experiences of men and women and how societal norms mean women still undertake the vast proportion of (unpaid) caring activity must be factored into any debate on enhancing economic participation and growth. There are significant factors excluded from the analysis outlined in the document: the crucial need for a childcare infrastructure of provision that is of high quality and is accessible and affordable; and the importance of allowing women (and men) to enter and stay in the labour market through the provision of family friendly and flexible working arrangements.

Alongside this, there is a need for greater equality in senior management and boards. In 2010, there were 12.5% of women on the boards of FTSE 100 companies, and only 7.8% in FTSE 250 companies² in the U.K. In Northern Ireland’s top 100 businesses, there are only two women leaders³. Only 7% of female employees are managers and/or senior officials in comparison to Great Britain where 11% of female employees are managers and/or senior officials⁴. Evidence in Europe has shown that an increase in the

¹ Hinds, Bronagh (July 2011) *The Northern Ireland Economy: Women on the Edge?* Written on behalf of the Women’s Resource and Development Agency

http://www.wrda.net/wrdanews/data/upimages/The_NI_Economy_-_Women_on_the_Edge_Report.pdf

² The Davies Report (2011) *Women on Boards*

³ Hinds, Bronagh (July 2011) *The Northern Ireland Economy: Women on the Edge?* Written on behalf of the Women’s Resource and Development Agency

⁴ DETNI (2010) *Women in Northern Ireland*

number of women on company boards has increased their economic performance.⁵ WRDA believe that it is vital for the economy that women are included in senior management and that actions, such as those recommended in the Davies Report *'Women on Boards'*, are implemented to enable this.

Only 7% of women in Northern Ireland are self-employed, and a mere 2.4% of women are entrepreneurs. If the Total Entrepreneurial Level of women in Northern Ireland was to equal that of women in rest of the U.K. there would be an extra 10,000 businesses.⁶ Our report *'The Northern Ireland Economy: Women on the Edge?'*, suggests that women are less likely to start a business due to a lack of mentorship, a fear of failure, a lack of confidence, and a belief that they lack necessary skills. To increase the number of women in business, there is a need for enterprise initiatives to explore ways in which these barriers can be overcome. Alongside this, women need to be informed of the opportunities that are available to assist them in starting a business.

Currently, in Northern Ireland, there is not only a gender pay gap but there is also a considerable public/private sector pay gap. The median hourly pay excluding overtime for women was 89.9% of the median hourly pay excluding overtime for men. The median weekly pay excluding overtime for women was 74.8% of the median weekly pay excluding overtime for men.⁷ The weekly gender pay gap is greater due to more women working part-time because of their caring responsibilities. The median hourly pay for men in the private sector is 68.2% of the median hourly pay for men in the public sector. The median hourly pay for women in the private sector is 57.1% of the median hourly pay for women in the public sector. Women working in the private sector are paid considerably less. In the 'rebalancing' scenario outlined in this document women have more to lose than men. Because they are more likely to work in part-time positions, in order to balance their work and caring responsibilities, the potential loss in terms of income is more significant.

The consultation document suggests reducing some regulations, including equality regulations, to aid businesses. This would be disastrous for many (particularly women) who are already at a disadvantage in the labour market and suggests that government would be happy to men to undertake paid work and women to remain in either unpaid positions or low-paid positions. A dynamic and prosperous economy must be regulated to ensure equal access and inclusion and government must support the private sector to ensure this happens.

As it stands, Coalition responses to reduce the financial deficit have had a hugely disproportionate impact on women. Research undertaken by the House of Commons Library shows that of the £8 billion of cuts and changes to tax and welfare payments,

⁵ The Davies Report (2011) *Women on Boards*

⁶ DETNI (2010) *Women in Northern Ireland*

⁷ DETI (2010) *Northern Ireland Annual Survey of Hours and Earnings*

72 per cent will be shouldered by women, in comparison to 28 per cent by men⁸. Cuts to public services especially higher and further education, housing, and health and social care will impact negatively upon women; especially single women, female lone parents, and female pensioners. If corporation tax is devolved to Northern Ireland, the already reduced amount of the Northern Ireland block grant will lose another approximately £300million. Because of women’s preponderance as workers in the public sector and as users of public sector services, WRDA are very concerned that the reduction in the block grant will impact disproportionately on women.

We are further concerned that there is a distinct lack of evidence to show that a reduction in Corporation Tax actually leads to economic improvement and job creation.

The change of the welfare system to Universal Credit prioritises the primary earner in a family which is usually the male. Paying all benefit to one person in a family, which will usually be the man, can lead to women’s economic dependence on their partners. With Universal Credit, women in couples who are the second earner will be losing any incentive to work.⁹ WRDA notes that the Westminster government excuses this on the premise that

“... any such risk of decreased work incentives for women in couples is justified. The focus of Universal Credit is to help workless households into work, since having no parent in work has been shown to have an impact on young people's lives and attitudes to work. Helping at least one person into work could help break the cycle of worklessness in a family.”¹⁰

While not debating the validity of having households in work, WRDA notes that this is likely to increase the level of in-work poverty for many families in Northern Ireland including lone parents working more than 16 hours per week.¹¹ This will in effect prevent many women from participating in the workforce and having the opportunity to assist in the growth of the Northern Ireland economy. The Women and Work Commission (2006) estimated that by increasing women’s participation in the workforce, GDP could increase by £15-23billion (1.3-2%) in the U.K.¹²

The new WRDA report ‘*The Northern Ireland Economy: Women on the Edge?*’ shows that women are an untapped potential force for economic growth and their economic

⁸ House of Commons Library (July 2010) *Gender Audit of Budget*

⁹ Hinds, Bronagh (July 2011) *The Northern Ireland Economy: Women on the Edge?* Written on behalf of the Women’s Resource and Development Agency

¹⁰ DWP (2011) *Welfare Reform Bill: Universal Credit Equality Impact Assessment*

¹¹ Hinds, Bronagh (July 2011) *The Northern Ireland Economy: Women on the Edge?* Written on behalf of the Women’s Resource and Development Agency

http://www.wrda.net/wrdanews/data/upimages/The_NI_Economy_-_Women_on_the_Edge_Report.pdf

¹² Women and Work Commission (2006) *Shaping a fairer future*

empowerment should be part of Northern Ireland’s investment and growth strategy.¹³ The governments and the women’s sector need to explore the role women can play in helping to build the economy whilst ensuring that, through growth, Northern Ireland becomes a fair, inclusive, and equal society for everyone.

WRDA contend that the proposals in terms of reducing the NI block grant and subsidising Corporation Tax returns to the treasury must be gender proofed and a detailed analysis provided on how this will impact on men and on women. Economic decisions are not gender neutral and Governments must become aware of the gender implications of the proposals and any decisions taken. WRDA want to ensure that women will not be affected adversely.

WRDA support the growth of the private sector and the building of a prosperous and inclusive economy. We want to make sure however that this does not happen at the expense of women in NI.

¹³ Hinds, Bronagh (July 2011) *The Northern Ireland Economy: Women on the Edge?* Written on behalf of the Women’s Resource and Development Agency)
[http://www.wrda.net/wrdanews/data/upimages/The NI Economy - Women on the Edge Report.pdf](http://www.wrda.net/wrdanews/data/upimages/The_NI_Economy_-_Women_on_the_Edge_Report.pdf)