

## **Chambers Ireland Submission to the Department of Enterprise, Trade and Employment on Guidance for Remote Working**

*August 2020*

### **Introduction**

Chambers Ireland represents the largest network of businesses in the State. With Chambers, located in every city and major town, we are uniquely positioned to understand the needs and concerns of Irish businesses and to represent their views.

Drafted in correspondence with our Chamber Network and associated policy fora, which represent the Chambers and their member businesses, Chambers Ireland is pleased to have the opportunity to make a submission to the Department of Enterprise, Trade and Employment.

This submission outlines Chambers Ireland's perspective on the benefits of remote and flexible working and its potential for supporting higher labour participation around the country.

In line with the consultation questions, this submission also makes recommendations on the ways that Government can improve the Guidance available for employers and employees on how to manage a workplace that is becoming increasingly flexible and location-less.

The submission also reflects on some of the more medium-term measures that should be introduced so that workplaces can become more accommodating, including measures that could assist employers in introducing flexible and remote working arrangements, and actions that the Government can take to ensure that the workplace is appropriately invested in to support this shift in culture and behaviour.

### **The case for Flexible and Remote Working**

Flexible working allows an employee to shape how, when and where they work. The forms it can take are limitless, encompassing a wide range of practices including part-time, remote working, flexi-hours, compressed hours, annualised hours, home-working and job sharing.<sup>1</sup> Some employers go further, abandoning core working hours or measuring their employees' performance purely by their outputs rather than time inputs under an arrangement known as ROWE (results-only work environment). For example, in Italy, a concept of 'smart working' (*lavoro agile*) was introduced under legislation, which aims to see work as

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<sup>1</sup> CIPD (2019), Enabling Flexible Working: Cross-sector case studies and practice highlights. Available at: [https://www.cipd.co.uk/Images/flexibleworking-case-studies\\_tcm18-58762.pdf](https://www.cipd.co.uk/Images/flexibleworking-case-studies_tcm18-58762.pdf)

targets or steps, rather than pre-set working time and space. This measure was introduced to boost competitiveness and to promote work–life reconciliation.<sup>2</sup>

SMEs make up 99% of enterprises here in Ireland. In data published pre-COVID, of that 99%, only 9% offer remote, flexible, or smart working arrangements. Of those that offer flexible working, 61% reported increased profits, and 83% reported a productivity boost.<sup>3</sup> Therefore, workplaces which offer an extensive range of flexible working policies are more likely to have above-average performance than those with no such practices.<sup>4</sup> This is evidenced across a plethora of studies, including a landmark study cited in the Harvard Business Review concerning call centre workers in a Chinese travel website called Ctrip. Employees at Ctrip were given the option to work from home for nine months. The study revealed that "people working from home completed 13.5% more calls than the staff in the office did-- meaning that Ctrip got almost an extra workday a week out of them."<sup>5</sup> A further cited study found that employees who work from home three to four days a week are 33% more likely to "feel engaged" and 15% less likely to feel "not engaged" than employees who report to the office each day.<sup>6</sup> Increased employee satisfaction has been proven time and time again to boost productivity.

Moreover, a study carried out by Vodafone Ireland in 2018 revealed that one in three employees regard flexible working as a top priority in their current role, 50% in a future job and 34% were either likely or very likely to move jobs if they could avail of it, demonstrating the growing demand for more flexible and accommodating workplace practices.<sup>7</sup> Flexible working was regarded by respondents as being a top priority due to the benefits that it offers in terms of reducing costs of living, commuting times, and the opportunity to live and work outside urban centres where residential and commercial rents are continuing to rise.<sup>8</sup>

These new modes of working are gaining popularity for a range of reasons, from improving quality of life and reducing cost of living, to supporting sustainability by reducing carbon emissions, to increasing labour force participation amongst women, older people, carers, and people with disabilities. As the nature of work and society changes, the way in which we work must also change. In our [submission](#) to the Department of Justice

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<sup>2</sup> Act No. 81/2017, <https://www.eurofound.europa.eu/publications/article/2017/italy-new-rules-to-protect-self-employed-workers-and-regulate-ict-based-mobile-work>

<sup>3</sup> Vodafone Ireland (2018), The Future of Business: A Conversation with SMEs. Available at <https://n.vodafone.ie/aboutus/press/new-vodafoneireland-study-shows-majority-of-sme-employees-in-fa.html>

<sup>4</sup> Department of Business, Innovation & Skills (2014), Costs and Benefits to Business of Adopting Work Life Balance Working Practices: A Literature Review. Available at <http://www.psi.org.uk/images/uploads/bis-14-903-costs-and-benefits-to-business-of-adopting-work-life-balanceworking-practices-a-literature-review.pdf>

<sup>5</sup> Nichola Bloom (2014), To Raise Productivity, Let More Employees Work from Home, Harvard Business Review. Available at: <https://hbr.org/2014/01/to-raise-productivity-let-more-employees-work-from-home>

<sup>6</sup> Niraj Chokshi (2017), Out of the Office: more People Are Working Remotely, The New York Times. Available at <https://www.nytimes.com/2017/02/15/us/remote-workers-work-from-home.html>

<sup>7</sup> Vodafone Ireland (2018), The Future of Business: A Conversation with SMEs. Available at <https://n.vodafone.ie/aboutus/press/new-vodafoneireland-study-shows-majority-of-sme-employees-in-fa.htm>

<sup>8</sup> Vodafone Ireland (2018), The Future of Business: A Conversation with SMEs. Available at <https://n.vodafone.ie/aboutus/press/new-vodafoneireland-study-shows-majority-of-sme-employees-in-fa.html>

Vodafone Ireland (2018), Stimulating Regional Economic Growth:

and Equality in January, we called for a national strategy to support flexible working, as a way of improving labour force participation.<sup>9</sup> Ireland's unemployment rate at the time was only 4.8%<sup>10</sup>, but this figure does not mean that the remaining 95.2% are all accounted for in employment figures. In fact, at the beginning of 2020, the labour force participation rate stood at 62.1% and has remained relatively constant over recent years.<sup>11</sup> This can be explained by many factors, such as caring roles in the home or those with disabilities who may not be able to work. Flexible and remote working has the potential to enable more people to join the workforce, but only if the structures that support participation are adapted.

Due to increased digitalisation and the rising accessibility of new technology, flexible working options are becoming a visible feature of the Irish workforce and, increasingly, an expectation from employees. Increases in commuting distances to workplaces, the availability and cost of housing, transport, childcare and eldercare are just a selection of the reasons behind why we are focusing on this area. Chambers Ireland are advocating for the development of a national remote and flexible working policy that is family, age, and disability friendly to actively encourage increased labour activation, improving health, well-being and productivity across all sectors and enterprises.

### **The Impact of COVID-19 on the Workplace**

COVID-19, the onset of a global pandemic and the national decision to lock-down parts of the economy in response to the virus had an overnight impact on the number of companies who were facilitating working from home. At this point, it is important to make the distinction between working in a flexible, supported way (which includes remote working), and working at home during a global health pandemic. Technology enabled many workplaces to keep operating, however the circumstances in which businesses transitioned to, was far from ideal. Many workers did not have access to appropriate workspaces or equipment. Indeed, working families who could not avail of childcare had to manage a working day while also caring for children.

While the circumstances many businesses operated in over the past number of months were challenging, lessons can be learned. The Western Development Commission conducted a survey during April and May, which looked to understand the employee experience of remote working.<sup>12</sup> The key findings were firstly, that the majority (83%) of respondents indicated that they would like to work remotely after the crisis is over. The most preferred option cited by 42% is to work remotely several times a week.

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<sup>9</sup> <https://www.chambers.ie/wp-content/uploads/2020/02/Chambers-Ireland-Submission-to-the-Department-of-Justice-and-Equality-on-Flexible-Working.pdf>

<sup>10</sup> <https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentdecember2019/>

<sup>11</sup> <https://www.cso.ie/en/releasesandpublications/er/lfs/labourforcesurveyquarter22019/>

<sup>12</sup> <https://www.wdc.ie/wp-content/uploads/2020/05/Remote-Working-National-Survey-Report-May-2020-final.pdf>

However, the survey also identified several challenges which include:

- Not being able to switch off from work
- Harder to communicate and collaborate with colleagues and co-workers
- Poor physical workspace
- The challenge of juggling childcare with work commitments
- The provision of better ergonomic equipment
- Just under one-fifth (19%) identified internet connectivity as an issue.

The report noted that the pattern of remote working planned post-Covid will influence the extent and type of challenges employers and employees will face. Current challenges are influenced by both the rapid introduction of the practice with minimal opportunity to prepare and the current pattern of working from home – daily (which is the preferred option of only 12% of respondents).

The above data will give the Department a useful frame of reference for accurately understanding the challenges in moving to a culture of work that is less about location, and more about output. These challenges do have solutions, which will be discussed further in this submission.

## Consultation Questions

### *1. Is the current guidance suitable?*

The current guidance reflects the existing legislative framework, which was not designed to support a workplace which had to quickly adapt to remote working because of COVID-19. While the resources that the Department has made available on their website is helpful, employers and employees continue to raise questions about how to manage remote workplaces both during the pandemic, and into the future.

### *2. Does the current guidance provide clarity?*

In a sense, the guidance is clear, but the issues that need resolving is that the current guidance was drafted for a different era of working culture. Because of this, some issues, namely Health and Safety, while clear, are overly rigid.

While flexible working arrangements present numerous benefits to employees, employers, and wider society overall, such workplace policies may potentially be harmful to businesses that offer flexibility if policies are not implemented in the correct manner. Lack of regulatory clarity, particularly in respect of employment law and health and safety regulation, could potentially lead to employers inadvertently failing to comply with existing legal frameworks.

### 3. *How could the current guidance be improved?*

As a matter of priority, a review of employment and health and safety legislation will be required to ensure that it supports both employers and employees. While existing guidance does refer to COVID-19, it does not adequately engage with the day-to-day realities of operating a remote workplace during a pandemic, or the fact that many businesses rapidly transitioned to a remote working environment. The objective of Government at the present time continues to be to encourage those who can work from home, to remain doing so. This is to ensure that workplaces can adequately social-distance, and pressure on public transport is reduced.

Bearing this in mind, the business community would welcome clarity on how HR policies should be updated, how working time should be tracked, guidance around best practice in communications with work colleagues, and guidance in how to appropriately check that work spaces meet the requirements of existing health and safety legislations. In the immediate, Government should invest in a national campaign and engagement strategy that will support employers and employees who are continuing to work remotely during the COVID restrictions.

### 4. *Are there further areas on which employers need guidance?*

For businesses to fully avail of the benefits of flexible working, several factors need to be considered in terms of rights, responsibilities and regulations that will be essential to establishing adequate flexible working policies. Employers would greatly benefit from clear guidance which facilitates the introduction of a flexible working policy which includes setting out fair and objective grounds for refusing flexible working requests. There are also challenges for employers around the lack of clarity on how to implement a formal HR policy around remote work with many organisations having reservations about committing to a policy in writing. For example, the inability to make all roles within an organisation remote and the potential equality issues that may arise from this. Furthermore, a lack of clarity on Occupational Health and Safety has emerged as a key influencing factor for employers considering the introduction of a formal remote working policy.

- *Health and Safety Legislation:*

Ultimately there is a need for increased awareness and guidance across multiple areas for employers and employees. While the guidelines on Health and Safety obligations are clear, these regulations can be viewed as overly rigid, in a way that can disincentivise employers from offering flexibility and work from home arrangements. Currently there is a dearth of policy guidance on both employer responsibility in the event of work-related accidents and risk assessments for employees working at home or in a hub. This is particularly true for work situations that are of the hybrid model, where some time is spent on site, at home or indeed in a hub space. This has resulted in a fear of liability amongst employers which makes ad hoc worker arrangements seem like the “safer” option in responding to employee demands.

Guidance in this area should include the topics of work-related accidents, balancing risk assessments with an employees' privacy and clear procedures regarding bullying and workplace harassment when an employee is working from a hub or co-working space. By developing a legal framework in the area of flexible working arrangements it is envisaged that all employees will be better able to reconcile their professional and private lives, and companies will benefit from more motivated workers.

- *OWT Directive and Right to Disconnect*

'Digital Burnout' is a phenomenon that is gaining increasing attention internationally, as the boundaries between work and home life become blurred, and as businesses operate in many time-zones as part of a globalised economy. In response to this, some jurisdictions have implemented a formal "right to disconnect". It is the view of Chambers Ireland that over-regulation could have the potential to negate the positive work-life balance impacts that flexible working can provide. However, the possibility of unreasonable, or unlawful, expectations on employees to remain engaged in work related communications outside of regular working hours does need to be addressed, but it is our view that this can be best dealt with under existing legislation, rather than new regulations.

Government should provide a set of guidelines on workplace communications and engage in a campaign with the business community to establish and enforce best practice norms that are suitable for a more digitised economy and way of working. Examples of best practice communications and management protocol for remote working should be made available to businesses as part of a national strategy for remote working. For example, one of our member Chambers, Dublin Chamber, has published a Smarter Working Guide which gives a level of guidance on best practice around maintaining communications and respecting the right to dis-engage from work messages.<sup>13</sup> Additional State guidance would provide a solid base for enterprises, especially for SMEs. A positive approach to supporting work-life balance would be more appropriate than additional regulation through a rigid 'Right to Disconnect'.

The EU Work Life Balance Directive, which came into effect in August 2019, aims to improve the labour participation rate of those with caring duties by strengthening parental leave and access to flexible working options.<sup>14</sup> In order to comply with this Directive, Government will be required to address flexible working access and how it may be in contradiction with the Organisation of Working Time Act (1997). International consideration for implementing the Right to Disconnect has been mixed. France implemented Right to Disconnect legislation in 2017 and Spain began its implementation in 2019.<sup>15</sup> In the case of both countries, the Right to Disconnect was established in a package of legislation relating to the workplace. In the Irish

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<sup>13</sup> <https://www.dublinchamber.ie/business-agenda/smarter-working-guide#:~:text=Dublin%20Chamber's%20Smarter%20Working%20Guide,great%20strides%20in%20smart%20working>

<sup>14</sup> European Commission <https://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&langId=en&newsId=9438>

<sup>15</sup> <https://www.bbc.com/news/world-europe-38479439>

context, the Right to Disconnect is present across existing workplace relations legislation and particularly the Working Time Act. Despite this there are aspects of the Act that while pertinent in 1997, are now outdated for application to the modern working world and require review. It is especially important that the legislation underpinning the OWT Directive is re-contextualised for a 21<sup>st</sup> Century workplace. Several European countries have reviewed and modernised Working Time legislation, so that it more accurately reflects the realities of a flexible workplace. In 2019, Finland introduced a new Working Hours Act, which replaces the concept of a 'workplace' with a more neutral concept 'working place', and the new Act seeks to better address the current ways of working. In practice, this means that the working hours will no longer be tied to a specific place of work, but rather working hours will mean time spent working.<sup>16</sup>

Further, the European Court of Justice (CJEU) delivered a significant judgement in May 2019 that employers must now have a suitable system in place to ensure that they are recording employees' daily and weekly working hours. Ireland's Organisation of Working Time Act 1997 (OWT) already requires employers to keep such records, however the trend towards flexible working raises several issues for employers regarding how to maintain proper records of employees' working time as many employers do not have sufficient systems in place to ensure that they are complying with existing obligations. This may lead to Labour Court rulings, like the 2019 *Kepak v O'Hara* ruling,<sup>17</sup> which resulted in an award of €7,500 to an employee for the employer's failure to adequately monitor working hours. Government must seriously consider the implications of the CJEU's ruling and as part of a review of Working Time legislation, ensure that systems for recording working hours is suitable to the needs of a more flexible workplace.

The new Programme for Government champions a better work-life balance. In order for this to be achieved, employers need to be reassured that enabling their employees to be flexible with working hours and/or working in a more agile format where the focus is on goals and tasks as opposed to hours worked. Chambers Ireland recommends that Government review the Organisation of Working Time Act as a whole, updating it to reflect the modern realities of both business requirements and of lifestyle and caring duties. Further to this, we recommend that Government engage with the business community to highlight the importance of establishing a working culture that does not put undue pressure on employees to engage with emails and work messages outside of agreed hours.

To address the complexity of how we review and reform, a working group be set up to include a variety of stakeholders from across Government departments, industry, business representative groups and insurance representatives to unravel the policy obstacles and commit to a national strategy on flexible and remote working that supports greater uptake of flexible and agile working.

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<sup>16</sup> <https://www.bbc.com/worklife/article/20190807-why-finland-leads-the-world-in-flexible-work>

<sup>17</sup> A&L Goodbody (2019), Recording "Working Time" – Important new EU decision clarifies the law. Available at: <https://www.algoodbody.com/insights-publications/recording-working-time-important-new-eu-decision-clarifies-the-law>

## **Issues for consideration as part of a Strategy for Remote and Flexible Working**

### *1. Investment in Digital Infrastructure such as High-Speed Broadband and Cybersecurity*

All types of flexible working arrangements are dependent on the widespread availability of sufficient broadband connectivity. A study found that nearly one in four broadband users in rural Ireland use the internet at home in relation to their work (about 430,000 people) and one third have remote access to their company network for work purposes.<sup>18</sup> The same report went on to highlight that a quarter of those who work from home stated that their broadband connection was not sufficient to meet their requirements for remote/flexible working, and thereby limits the work-related activities that they can conduct.

The evidence cited from rural areas suggests that online participation for work is as prevalent, if not more so, than in urban areas, despite slower and sometimes insufficient broadband speeds in rural areas. This reinforces the need for the universal availability of quality broadband which can deliver more opportunities for flexible and remote working in regional and rural locations. Deployment should commence in those areas that have the lowest broadband speeds in the country.<sup>19</sup> The accelerated delivery of nationwide access to high-speed broadband should also encompass the upgrading of broadband and connectivity offered on public transport so that those commuting to and from work can begin and finish their workdays earlier while commuting.

Paired with investment in digital infrastructure, there needs to be a national strategy on digital security, namely cybersecurity, which will aim to support businesses to improve their individual cybersecurity for workplaces that are increasingly dependent on the cloud, while also looking at the steps we must take nationally. In our Manifesto, published ahead of February's General Election, we called for the creation of a civilian cybersecurity agency with a multiple mandate, firstly to identify threats to ordinary residents in Ireland, state bodies, and businesses. Secondly to have a remit for penetration testing state bodies. Thirdly a mandate for informing the public and training the business community on how to minimise the risk to them and their property that arise from cyber security threats.<sup>20</sup> The third dimension will be essential to ensure that companies of all sizes are adequately informed and resourced to ensure their business is secure from digital threats. Having such a policy in place will also improve the attractiveness of Ireland as a place to invest.

### *2. Increased roll-out of Co-working and Digital Hubs*

Co-Working and Digital Hub workspaces are frequently designed for people who will use a workspace infrequently, or teams only working on a project at a given time. The workplace fees can be hourly/daily/monthly/yearly based, and the price may also be variable due to changes in demand. Users can

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<sup>18</sup> Amárach Research (2016), Connected Futures, Available at: <https://www.vodafone.ie/connected-futures/>

<sup>19</sup> Mayo, Leitrim and Roscommon are among the five counties with the slowest broadband speeds nationally. <https://www.thejournal.ie/broadbandspeeds-ireland-3082026-Nov2016/>

<sup>20</sup> <https://www.chambers.ie/wp-content/uploads/2020/01/Goal-9.pdf>



book a desk, meeting room, small office area, etc.<sup>21</sup> The level of flexibility is high in digital hub workplaces, mirroring the changes in employment trends in Ireland.

Chambers Ireland is calling on the Government and every local authority to support the existing co-working and digital hubs and drive development of new regional digital hubs in town centres to support flexible working. It is crucial that a strategy to increase remote working hubs is also cognisant that they are in urban and town centres. This will support urban economies, promote urban density, and contribute to employee wellbeing.

### 3. *Conduct Precise Research on Remote Working Statistics*

The Census includes the question ‘how do you usually travel to work?’ with one of the answers being ‘work mainly at or from home’. This is a limited way to measure remote work as it includes all those that are self-employed and work from home (such as childminders, home-based GPs, farmers and sole traders across all sectors) and not just remote and flexible workers. Moreover, the Census definition only captures those employees that work from home most of the working week and excludes those who work flexibly even one or two days per week, which some studies suggest is the most common pattern of remote working.

As remote working is not clearly visible in official statistics, and because it is generally at the discretion of the employer and/or the line manager, it is not yet clear how extensive the practice is in Ireland though it is growing in popularity. Conducting precise research on the prevalence of flexible working in Ireland will enable the enhanced development of policies and guidelines for businesses of all sizes, across a variety of sectors to support successful adoption rates. Precise data on flexible working would further enable high-level international comparison of successful flexible working policies that Ireland could learn from, such as in the United Kingdom,<sup>22</sup> Austria, France,<sup>23</sup> and Malta.<sup>24</sup> Chambers Ireland recommends that Government promptly act on the deliverables set out in Future Jobs Ireland 2019 to “undertake research on the prevalence and types of flexible working arrangements within the Irish workforce, and the attitudes towards such working arrangements, as well as the factors which inhibit employers and employees to partake in such arrangements.”

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<sup>21</sup> Rongrong Yu, Matthew Burke and Nowar Raad (2019), Exploring impact of future flexible working model evolution on urban environment, economy and planning, Journal of Urban Management. Available at: <https://www.sciencedirect.com/science/article/pii/S2226585618302140>

<sup>22</sup> House of Commons Library (2018), Flexible Working. Available at: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01086#ullreport>

<sup>23</sup> Eurofound (2017), Working time patterns for sustainable work, Publications Office of the European Union, Luxembourg. Available at: [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef1720en.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1720en.pdf)

<sup>24</sup> Eurofound (2018), Striking a balance: Reconciling work and life in the EU, Publications Office of the European Union, Luxembourg. Available at: [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef18065en.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef18065en.pdf)

#### 4. *Training and Upskilling*

Through the National Training Fund, Government should target investment in training for line-managers and employers on how to implement SME-friendly agile work practices, which can include remote, flexible and compressed working hours. A manager will need to learn the skills to manage a team remotely just as much as an employee needs to learn how to work remotely. It is a completely different way of working, which needs a proper structure.

Courses targeted at managers have been launched over the course of the pandemic, with the support of SOLAS, ETBs, and Grow Remote. This kind of training delivered online is essential and should be expanded, and more widely promoted.

Productivity and management skills in the economy has, and is, being examined by various Government departments. The OECD in its review of SMEs and Entrepreneurship in Ireland 2019, noted that management skills in SMEs need improvement and investment.<sup>25</sup>

If Government intends to successfully drive a cultural shift towards increasingly flexible work, not defined by location, it must ensure that the right leadership and management skills are being invested in. Without leadership, the potential for improved labour participation, improved wellbeing and improved productivity will not be met.

#### 5. *Tax and Investment*

With the increased interest in remote working, more attention is paying paid to current tax reliefs for remote workers. The current iteration is the E-Working Allowance of €3.20 a day, which is tax free. With the onset of COVID-19, increased attention has been paid to this allowance and whether it continues to be fit for purpose. Questions that are raised by employers and employees relate to how €3.20 is the cost determined, what happens if expenses are greater than the amount, how it can be claimed, whether employers can be enabled to claim for the tax relief on an employee's behalf, whether there can be tax relief on additional expenses relating to equipment, etc. As part of a national strategy for remote and flexible working, a review of current tax reliefs around e-working and expenses should also be undertaken, to ensure that it meets the costs involved in operating a remote workplace in 2020. Further consideration should also be afforded to promoting the uptake of available tax measures to enable employees to remote work.<sup>26</sup> It is also advisable to ensure the system is simple and flexible, allowing for ad-hoc and part-time home working.

In addition to tax treatment, feedback from our member businesses has highlighted the need to refresh national strategy around attracting inward investment and highly skilled workers. Along with a greater focus

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<sup>25</sup> <https://dbe.gov.ie/en/News-And-Events/Department-News/2019/October/31102019.html>

<sup>26</sup> Revenue.ie <https://www.revenue.ie/en/employing-people/employee-expenses/e-working-and-homeworkers/index.aspx>

on regional investment strategies, a wider strategy to promote Ireland as a desirable place to live and work should be considered. While COVID-19 has contributed to job losses and a much higher unemployment rate, skills gaps in some sectors continue to remain. Reframing how we market Ireland as not just a great place to create companies and new jobs, but also as a great place to work, will be an important part of future strategies to improve competitiveness.

## 6. *Narrowing the Gender Pay Gap and Affordable Quality Childcare*

As part of measures to suppress COVID-19, the Government in Ireland, as elsewhere, has closed schools and childcare facilities and requires 'non-essential' workers to work from home. Data published through the pandemic has emphasised that care-giving duties while working from home were primarily carried out by women. For example, CSO data on the social impact of COVID-19 indicates that the stresses around caring duties fell disproportionately on the female population, with concerns around health, maintaining social ties, and missed education impacting to a greater extent.<sup>27</sup>

In a note published by the Oireachtas Library and Research Service<sup>28</sup> on the gendered impacts of COVID-19, it was found that it would be reasonable to assume that because caring responsibilities fall primarily on the female gender, that this may trigger a widening of the gender pay gap, where "a likely immediate consequence of this is that women's productivity in employment will suffer more than men's; a longer-term consequence is potentially fewer economic opportunities for women (e.g. merit-based promotion) and a wider gender remuneration gap. In addition to this, women disproportionately make up the sectors (e.g. retail and hospitality) that have been shut down entirely in response to COVID-19 and are therefore likely to bear the brunt of the shutdown in terms of earnings. One analysis by the Institute of Fiscal Studies<sup>29</sup> found that at the time of shutdown, 17% of female employees were in a sector that is now shut down compared to 13% of male employees.

From an international context, UN Women has called on governments and businesses to support policies which promote an equal sharing of the burden of care between women and men, implement/support family-friendly working arrangements and ensure long-term impact planning for COVID-19 is sensitive to the potentially greater domestic burden carried by women and supports them in this.<sup>30</sup> As part of the short and

<sup>27</sup> CSO Social Impact of Covid-19 on Women and Men

<https://www.cso.ie/en/releasesandpublications/er/sic19wm/socialimpactofcovid19onwomenandmenapril2020/>

<sup>28</sup> [https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-04-20\\_lrs-note-anticipating-the-gendered-impacts-of-covid-19\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-04-20_lrs-note-anticipating-the-gendered-impacts-of-covid-19_en.pdf)

<sup>29</sup> IFS, Sector shutdowns during the coronavirus crisis: which workers are most exposed?, April 6, 2020, <https://www.ifs.org.uk/publications/14791>

<sup>30</sup> See UN Women, Family-friendly policies and other good workplace practices in the context of COVID-19: Key steps employers can take, March 2020, <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/family-friendly-policies-and-other-good-workplace-practices-in-the-context-of-covid-19-en.pdf?la=en&vs=4828> UN Women, Women and COVID-19: Five things governments can do now, March 26, 2020, <https://www.unwomen.org/en/news/stories/2020/3/news-women-and-covid-19-governments-actions-byded-bhatia>

medium term steps taken by Government to develop a national strategy for remote working, it is critical that such a strategy is paired with guidance around family-friendly workplaces and is cognisant that remote and flexible working is not just something that is offered to care-givers. Actions that inadvertently contribute to making a policy like remote working, something only suitable for one gender, can and will contribute to widening of the gender pay gap.

It is essential that affordable, accessible, quality childcare continues to receive investment. Greater flexibility in managing how, when and where an individual works can of course improve work-life balance and ease the pressure on working families. However, remote working should not be seen as a panacea to childcare. These issues are distinct and should be treated as such. However, we would welcome engagement from both the Department of Children and Department of Enterprise on how childcare in communities can be organised and aligned alongside the provision of remote working hubs.

More broadly, State investment in making childcare more affordable continues to be a priority. While significant progress has been made in addressing the affordability of childcare through the introduction of the National Childcare Scheme in November 2019, this investment needs to be sustained and increased over the next several years. In Ireland, the net cost of childcare is 28% of the average wage of a couple, while the EU average is 12%.<sup>31</sup> Increased investment in the National Childcare Scheme must be partnered with a flexible workforce strategy that supports working families.

Additionally, Chambers Ireland is calling for data on the exact cost of delivery of childcare provision to be published as soon as possible to ensure that further investment in this area contributes to making childcare more affordable for working parents and families.

## **Conclusion and Recommendations**

Chambers Ireland is supportive of remote working practices as one element of the overall flexible working movement which has the potential to greatly improve work-life balance and labour participation rates.

For remote and flexible working practices to be supported in the Irish context, Chambers Ireland recommends that Government remove barriers to remote working access, including the lack of clarity around Health & Safety and Employer Liability.

To enable the success of remote and flexible working practices, should any right to request flexible working be legislated for, it must be clear that a right to request, does not oblige an employer to accommodate. Not

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<sup>31</sup> National Competitiveness Council (2019), Cost of Doing Business in Ireland. Available at: <http://www.competitiveness.ie/Publications/2019/Cost%20of%20Doing%20Business%202019%20Report.pdf>

all businesses operate in the same way, and business function and growth must remain the priority. We call for defined, but broad criteria whereby an employer can refuse a right to flexible work.

Policymakers also need to remain cognisant of unintended consequences of remote and flexible working, this is particularly pertinent for the participation gap. Childcare and female participation rate in the labour force are linked and need to be considered when developing the remote working policy.

Finally, in consideration of the data showing employee preferences, it is essential that remote working as a blended, flexible option, allowing an element of remote/home working alongside working in an office/hub setting is kept at the forefront of policy. Data shows that this is the preferred option, and it important that we ensure we are retaining employment in urban centres (both cities and towns), to sustain local economies and support our town centres to thrive.

- In the short-term, initiate a national communications campaign that informs and advises businesses and employees on how to support remote and flexible working under the current legislative framework
- As part of a national strategy, approach remote working in the broader context of flexible and remote working policy to support greater wellbeing and work-life balance
- In the short term, provide clear guidelines for businesses around health and safety and insurance liability for remote working, while also committing to a review of such regulations so that obligations and liabilities are fit for purpose in a culture that more proactively engages flexible work
- Develop and engage in a campaign around best practice Internal Business Communications Guidelines to support employers and employees
- Review and update Working Time legislation to reflect modern, flexible working practices
- Continue to invest in broadband and cybersecurity infrastructure
- Increase the roll-out of Co-working and Digital Hubs
- Gather additional data and research to understand the prevalence of flexible and remote working
- Maintain and invest in upskilling for a digitised economy, including general management skills
- Review tax and expense reliefs to ensure that existing benefits are fit for purpose in 2020
- Ensure that remote working does not become a gendered option by addressing childcare accessibility and affordability and promoting a top down take up of flexible working by business leaders