

International competitiveness and the new economy:

The role of diversity and equality

Response to
Dublin City Council
Economic Development
Strategy and
Action Plan

gay + lesbian equality network

2009

glen

EQUALITY

RESPECT

PARTNERSHIP

ABSTRACT

Ireland can no longer compete on low cost production but must enhance its comparative advantage in the advanced sectors of the knowledge economy where people, and their skill, talent and capacity for innovation, have become a central factor of production.

This Paper highlights the growing importance of diversity and equality to the success of policy areas critical to nurturing, attracting and retaining the skills and capacities on which these advanced internationally traded sectors depend. These are urban planning and development; supporting the innovative workplace; attainment and participation in education; and policies relating to the international mobility of tourists, business visitors, worker and students.

The growing importance of diversity and equality across these policy areas means that measures to support equality (for example across the nine grounds of the Irish equality legislation) can be viewed as a part of our economic infrastructure and a component of international competitiveness and economic renewal.

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1. INTRODUCTION

“Innovation and economic growth accrue to those places that can best mobilise humans’ innate creative capabilities from the broadest and most diverse segments of the population, harness indigenous talent and attract it from the outside”. Professor Richard Florida¹.

GLEN ~ Gay and Lesbian Equality Network ~ welcomes the opportunity to contribute to the development of an Economic Strategy and Action Plan by Dublin City Council. Given the unique contribution Dublin has made to the national economy, it is even more imperative in the context of the present economic downturn to learn about the factors that have contributed to the success of the City and from this understanding to frame a coherent and integrated strategy across the city region.

We particularly welcome the emphasis in the strategy document on talent and people. It is now widely acknowledged (in particular by the Government in its Strategy for a Smart Economy and by the NESC in their latest policy document on the Irish economy) that Ireland has entered a new phase of development where people, and in particular, their talent, skills and their capacity for innovation, have become a critical factor of production. The key challenge for policy makers in this context is how to **nurture, attract** and **retain** the talent and skills that are central to this new phase of development.

Experience suggests that meeting this challenge has implications for a broader range of economic, social, cultural and spatial domains than has been considered before. These include the positive role of urban scale, density and diversity (especially of a city as relatively large as Dublin), creating a more inclusive and accessible education and training system (open and responsive to people throughout their working lives), supporting the innovative workplace and facilitating the mobility of workers through effective labour market policies, including flexibility and responsiveness in immigration law and regulations.

There is also a growing acknowledgement of the importance of equality, and respect and accommodation of diversity, to the success of policy measures across all of these domains². The capacity of a city to support a large and diverse population (which has been identified as a significant contributor to innovation and the growth of the knowledge economy) can be lost if the city is perceived or experienced as hostile to difference, whether this is on the basis of a person’s gender, age, colour, ethnic background or sexual orientation. Equally, respect and accommodation of diversity have been identified as critical for productivity and innovation in the workplace, and participation and attainment in education. And our capacity to attract and retain

1 Richard Florida, Gary Gates, Brian Knudsen and Kevin Stolarick. *The University and the Creative Economy*. Creativeclass.org 2006

2 The economic case for equality has for example been highlighted by the Equality Authority as a key strategic objective in its 2009-2011 Strategic Plan.

skilled workers to Ireland is less effective if immigration and integration policies do not take account of diversity of people, including different family circumstances.

The growing link between equality, diversity and economic success means that equality and diversity policies and programmes have become an increasingly important part of our overall economic support infrastructure and competitiveness.

This is a policy shift that as already happened in the area of education, where there has been a greater focus on the economic and well as the social benefits of learning. As noted by Professor France Ruane, Director of the Economic and Social Research Institute:

“The notion that human capital is our key economic factor is now being acknowledged widely. I was on some government committees in the mid 1990s and expenditure on education was still being seen at that time as social expenditure. It was only when the skills shortages came to light some years later that people began to link education to growth and that led to its economic importance being appreciated” Professor Frances Ruane, Director, Economic and Social Research Institute³.

Given these factors, we very much welcome the proposal in the Draft Strategy for the development of consensus on the role of diversity and equality in the economic competitiveness of the city. The following document is intended as our initial contribution to the development of this consensus. The focus in particular, is on our knowledge and understanding of the links and synergies between diversity and equality (with a particular emphasis on the grounds covered under the equality legislation) and the broad range of economic, social, cultural and urban policies that are critical to the success of the city and of Ireland more generally. The document outlines:

- The growing consensus that Ireland has entered a new phase of development where diverse skills, talent and human capital have become critical factors in economic competitiveness.
- The specific contribution Dublin, by virtue of its urban scale, has made and can continue to make to this phase of development. In particular, the critical importance of equality and diversity to nurturing, attracting and retaining key skills and in creating a key condition for innovation in the city: the opportunity for diverse people to connect and network.
- The growing importance of equality and diversity in the workplace for companies seeking to attract and retain the skilled and diverse workers necessary to compete internationally and in creating the conditions for innovation and creativity.
- A greater recognition of the centrality of education in economic policy and the important contribution accommodating equality and diversity in the education system makes to accessibility, improving overall attainment and in creating the

3 In Paul Sweeny (2008). Ireland's Economic Success: Reason and Lessons. Dublin: New Island.

positive learning environments that are conducive to innovation and life-long learning.

- And the importance of flexible and responsive immigration law and regulations, and respectful and professional implementation of these regulations, for facilitating the mobility of workers and visitors from diverse backgrounds.

These factors are particularly important in the context of the current economic downturn where the major challenge now facing Ireland is how to restore our international competitiveness. As the OECD has stated in its Strategic Response to the Financial and Economic Crisis, (2009), strategies to put countries back on the path to sustainable growth should ensure that recovery is “based on innovation, knowledge creation and low carbon paths to growth, all within a more equitable society that spreads opportunity and extends protection to the most vulnerable” (OECD, 2009).

2. THE GROWING IMPORTANCE OF PEOPLE, TALENT AND SKILL

“The Government is working to create a sustainable advantage based on Ireland’s reservoir of skills, human capital and flexibility in serving markets. For Ireland in the 21st century, competitiveness will depend on merging these attributes with flair and a commitment to innovation that is unmatched by competing economies”. Department of Enterprise, Trade and Employment Policy Statement on Innovation in Ireland 2008.

Ireland, the National Economic and Social Council (NESCC) has noted, is moving from a period in which competitiveness was based primarily on low costs facilitating the profitable export of standardised goods and services for wide markets. It is moving towards a period in which “competitiveness will be based largely on the ability to source and creatively apply knowledge, skilled and flexible workers and the high quality of the infrastructures, regulatory framework and public services supporting businesses (NESCC, 2008).

That Ireland has entered a new phase of development has also been highlighted in the Government’s Strategy *Building Ireland’s Smart Economy: A Framework of Economic for Economic Renewal* (Government of Ireland 2008). A reliance on traditional manufacturing and low skilled services, it is noted, will not be sufficient to allow developed countries like Ireland to remain at the forefront of economic and technological curves. Ireland has instead to provide services higher up the value chain, in areas that are cost sensitive, but require ingenuity and creativity (2008: 36).

The importance of higher value added services to the Irish economy has also been highlighted in *Catching the Wave: A Service Strategy for Ireland*, (Services Strategy Group 2008). Ireland, the Group notes, has established a significant presence in the internationally traded services market, the growth of which is likely to accelerate in the longer-term due to regulatory reform and trade liberalisation. The variety of skills that the Services sector requires, the Strategy Group note further, are particularly broad and it is imperative that the demand for skills is met across this spectrum (2008: 14).

In this evolving context, where skills and talent are becoming more centrally important (and relatively scarce)⁴ factors of production, the challenge for policy makers has increasingly focused not just on creating favourable conditions for high value added sectors of the knowledge economy, but also on how to nurture, attract and retain the high skilled (and internationally mobile) workers on which these sectors depend. This, as noted by the Economic and Social Research Institute (ESRI), has implications for a broader set of social and urban planning policy areas than has sometimes been considered before.

4 Even in the context of the current economic crisis skills shortages are still being reported in certain sectors. For example, the Irish Times recently reported that Intel owned Irish software firm Havok was considering relocating from Ireland because of the difficulties found in recruiting software engineers (Irish Times, February 13th , 2009).

“The supply of labour with appropriate skills for the services sector will be important for future economic growth. This will involve not only ensuring an adequate output of graduates but it will also be necessary to ensure that Ireland is an attractive location for the skilled workers in the sector be they Irish or foreign. Thus ensuring a good urban infrastructure, high quality health care and education and a clean environment may be of substantial indirect benefit to the sector through its potential effects on the labour supply”. ESRI, Medium-Term Review 2008-2015.

The importance of skills and human capital for knowledge economy has also been highlighted by a range of other policy bodies and strategy documents, including the *Expert Group on the Future of Skills Needs* (2007), the Government’s *Strategy for Science, Technology and Innovation* (2006) and by the National Economic and Social Council in its report *The Irish Economy in the Early 21st Century*.

Like the ESRI, these and other major strategies have identified a number of policy areas critical to skills development, innovation and other factors necessary to restore and improve the international competitiveness of Dublin and of Ireland more generally. The following sections focus on some of these key policy areas and on the growing acknowledgement of the importance of diversity and equality to effectiveness and success across each one of them.

3. NURTURING AND ATTRACTING PEOPLE AND SKILLS: - THE IMPLICATIONS FOR URBAN POLICY

3.1 THE CONTRIBUTION OF DUBLIN TO THE NATIONAL ECONOMY

“Cities offer three overlapping benefits for people and firms – proximity, density and variety”. Innovation and the City⁵

Cities, as noted by the National Competitiveness Council, play an increasingly crucial role in the development of national competitiveness in modern knowledge based economies (NCC, 2009a). In Ireland, Dublin has been the centre of almost all the knowledge economy sectors that expanded rapidly in the 1990s, including financial services, professional services and the ICT sector. This success, the National Economic and Social Council note, is because of a preference on the part of a broad range of activities associated with an internationalising, services-driven, increasingly knowledge intensive economy, to locate in urban areas of a certain scale and with specific features. (NESC, 2008: 194).

An important factor in explaining this preference is the way in which a city of Dublin’s scale and density can support both clustering of economic sectors and also clustering of the specialised workers (critical to the knowledge economy) who have been attracted to the city because it contains more of the amenities, quality services and cultural activities they seek. Urban amenities for people therefore, can increasingly be seen as indicators of economic competitiveness, especially insofar as they affect the location decisions of skilled and internationally mobile workers. This is acknowledged by the Government in its strategy for the Smart Economy:

“If we wish to keep talented Irish people working in Ireland, as well as attracting the most talented people from around the world to our shores, we cannot afford to offer a poor quality living environment” Building Ireland’s Smart Economy, 2008.

The very specific features of Dublin in this respect have important implications for urban planning, industrial and regional policy. In particular, the NESC note that:

- The national economy can benefit a great deal from the expansion of Dublin and that a larger and more compact (higher density) Dublin will make it easier to further develop knowledge intensive services and manufacturing and a greener national economy.
- The failure to support high density living and dense economic activity in Dublin (and address the urban sprawl of the Greater Dublin area), the NESC note, would not see benefits displaced to other regions within Ireland, but to metro-regions elsewhere in Europe to which the businesses, young professionals and migrant workers currently attached to Dublin are likely to move. In this sense Dublin is not competing with other regions of Ireland, but with other large-scale cities internationally (NESC. 2008: 195).

5 Glenn Athey, Catherine Glossop, Ben Harrison, Max Nathan and Chris Webber (2007). *Innovation and the City*. NESTA.

The importance of cities to international competitiveness and to the broader economies of regions or countries in which they are located has also been highlighted by a range of international bodies. In a major study, *Competitive Cities in the Global Economy* (2006), which included Dublin in its comparative analysis, the OECD acknowledges the very substantial contribution cities make to national and regional economies due to a range of factors including agglomeration economies, and the existence of large and diverse labour forces.

However, the economic benefits of cities can be out-weighted by the negative consequences of heavy concentrations of population such as traffic congestion, pollution, lack of open or quality public space, inequality, social segregation, housing shortages and high levels of crime. In this sense, policies and programmes to promote the 'green', 'inclusive', 'connected' or 'safe' city have become critical in an overall strategy for competitiveness. As the OECD puts it:

“A well-rounded national economic strategy cannot ignore the spatial structure of the economy, or the qualities and characteristics of cities that affect economic performance, social cohesion and environmental conditions. Not only must urban issues be given greater visibility and higher priority in national policy but also new policies may be needed at national, regional and local levels. Government at all levels must re-examine their roles and responsibilities and explore ways to foster synergies in a collaborative framework”. (OECD, 2006: 27).

3.2 THE CONTRIBUTION OF DIVERSITY AND OPENNESS TO THE ECONOMY AND INTERNATIONAL COMPETITIVENESS OF DUBLIN

Creating an urban culture and living environment that accommodates and respects diversity of people is increasingly seen as a significant element of a city's capacity to attract and retain interlinked and mutually reinforcing clusters of economic activity and people.

The British Council in a collaborative project with City Governments in Europe entitled OPENCities, found that a consistent theme that emerged from its study on cities was their desire to attract and retain international populations which contributed to the labour force but also added to the quality of life and wider attractiveness of the city for international firms, events and investors (2008: 11).

Factors influencing the openness and attractiveness of cities to such diverse populations include generic amenities such as quality housing, schools, hospitals and leisure choices but also assessments of 'risk factors' relating to the openness of the city to diversity. Indicators of openness in this respect include the extent to which there are active anti-discrimination policies which appear effective in addressing many forms of disadvantage. Also important were 'leadership factors', including how proactive the city was in setting and pursuing an agenda of openness, diversity and tolerance (British Council, 2008).

US economist Richard Florida has also found strong link between diversity, tolerance and the competitiveness of cities. As he puts it:

“Economic growth in the Creative Economy is driven by 3T’s: Technology, Talent and Tolerance..... But technology and talent have been mainly seen as stocks that accumulate in regions or nations. In reality both technology and talent are flows. The ability to capture these flows requires understanding the third T, tolerance, the openness of a place to new ideas and new people. Places increase their ability to capture these flows by being open to the widest range of people across categories of ethnicity, race, national origin, age, social class and sexual orientation” Professor Richard Florida⁶.

This link between diversity, tolerance and the competitiveness of cities has more recently been highlighted by the National Competitiveness Council in Ireland. The Council States:

“Diversity provides a richer cultural experience for citizens and visitors, bringing with it openness to new ideas and wider markets and customers.... As highlighted by Richard Florida, diverse and tolerant cities are more likely to attract the skilled workers who possess the “creative capital” required to power knowledge economies”. National Competitiveness Council, from its report *Our Cities: Drivers of National Competitiveness* (2009).

To some extent this diversity link is obvious. People of different colour or nationality for example will be put off living in or even visiting a city which is perceived or experienced as hostile to them, thus limiting the potential pool of labour, talent and skill available to the city. Equally companies that require staff from diverse backgrounds (for example, international ICT service divisions in Dublin with a global remit) will be reluctant to locate in a city which is unattractive to these diverse workers (or to its customers).

Richard Florida however, has identified a broader impact of what he has describes as ‘tolerance of difference’, namely, that this is seen by companies and people as an indicator of an underlying culture and ‘eco-system’ that is open to new people and ideas, where people can easily network and connect, and where bright ideas are not stifled but are turned into projects, companies and growth. As Florida puts it “regions and nations that have such eco-systems - that do the best job of tapping the diverse creative talents of the most people - gain a tremendous competitive advantage. (Florida and Tinagli, 2004:25)

The importance of diversity has been highlighted by Facebook in their decision to set up an international office in Dublin. The Company’s Chief of Online Operations Don Faul told *The Irish Times* (3rd October, 2008) that:

“We looked at a number of different locations and ultimately decided that Dublin was the best pick for a couple of different reasons. One is that it has got a really strong, multilingual talent pool which will really help us grow

6 Richard Florida, Gary Gates, Brian Knudsen and Kevin Stolarick. *The University and the Creative Economy*. Creativeclass.org 2006

and scale and ultimately get closer to our users, advertisers and developers in the region.”

The Times also reported that: “The job listings suggest Facebook is initially going to support the French, German, Italian, Norwegian, Spanish, Swedish, Dutch, Turkish and Israeli markets from Dublin. It is also seeking staff with Arabic language skills.”

Diversity and global connectivity were also factors in the success of Dublin’s bid to become European City of Science in 2012. Dr. Gail Cardew, chair of the selection panel, said that Dublin was successful partly because it ‘took a more international view of the event than the main competitor, Vienna’. ‘Dublin just had the edge on a number of criteria, and in particular a strong international dimension that included links with the US, China and Africa. Dublin has a much broader reach in terms of Europe and connections with the global community’ (Irish Times, 9th December 2008).

Urban Regeneration and Urban Vitality

Urban regeneration is a key challenge and opportunity for the city. According to the OECD study, *Competitive Cities in the Global Economy* (referred to above) underperforming areas of a city ‘may constitute the next best hope for a major improvement’ in a city’s competitiveness’. The Department of the Environment, Heritage and Local Government in its *Development Plans: Guidelines for Planning Authorities* (2007) sets out the competitive advantages of cultural diversity and the urban regeneration contribution of entrepreneurs from other countries. The Guidelines note:

“Research into why certain cities and regions have a competitive economic advantage indicates that cultural diversity is one of the factors involved. The planning process should be responsive to the planning issues arising from growing cultural diversity and should seek where possible to actively affirm and support the needs of the new local communities which are emerging. The areas where immigrants settle have the potential to develop a new local diversity which can re-vitalise them and support urban regeneration. New approaches to work practices, new types of entrepreneurship, links with home countries and other innovative approaches which immigrants may bring can become a basis for stimulating new local economic activity. Development plans may need to specifically recognise these changes and seek to create conditions which enable the potential for local initiatives to be realised.” Department of Environment, Heritage and Local Government, 2007)

3.3 PROGRESS FOR LESBIAN AND GAY PEOPLE AS AN INDICATOR OF OPENNESS MORE GENERALLY

“The most successful cities in the world are those that foster cultural diversity. This success manifests itself economically as well as socially. A touchstone of this diversity is the manner in which gay and lesbian rights are respected. We all want Dublin to be viewed as a successful city, a city where all our citizens, including our gay and lesbian citizens, are fully respected”. Taoiseach Bertie Ahern TD, 2006.⁷

Two indicators of ‘tolerance’ were identified by Richard Florida as being particularly important indicators of a culture of ‘tolerance’: openness to lesbian and gay people and openness to immigrants. Florida describes lesbian and gay people as the “canaries in the coalmine” of diversity, with openness and acceptance of diverse sexual orientation and family arrangements being considered an indicator of openness and acceptance of diversity more generally.

This proposition has not been explored in the context of Dublin. However, Florida has noted that Ireland outpaced most European countries in the growth of creative economy sectors (including advanced internationally traded sectors), which have primarily been based in Dublin. This has taken place side by side with considerable progress for lesbian and gay people and progress across other diversity/equality grounds. For example:

- The Equality legislation (1998, 2000 and 2004) propelled Ireland into the forefront internationally in terms of legal protections against discrimination on the basis of sexual orientation and the other diversity/equality grounds put forward by Richard Florida as critical to the growth of the knowledge and creative economy.
- Dublin City Council has a strong diversity and equality commitment including an Integration/Intercultural Relations Unit. The City Council has supported a range of lesbian and gay events – for example the annual Gay Pride Festival is the second largest festival in the city after St Patrick’s Day.
- The Garda Síochána (Irish police service) has developed a comprehensive strategy (in partnership with lesbian and gay organisations) to respond to safety issues for lesbian and gay people. This has included the development, in partnership with GLEN of a Community Safety Strategy for lesbian and gay people in the Dublin region.
- There is also some evidence that companies in the creative/knowledge economy see visible and accepted lesbian and gay communities as supportive of their diverse workers, facilitating their connections with and retention in the city. For example, IBM Ireland, Google and Accenture all have a visible and well publicised staff presence at Dublin Lesbian and Gay Pride.

7 Taoiseach Bertie Ahern TD speaking at the opening of the offices of GLEN, April 2006.

Legal Recognition of Same-Sex Couples

In 2008, the Government committed to enacting civil partnership for same-sex couples that will provide such couples the civil status of 'Civil partners' along with a range of legally enforced rights and obligations similar to those provided to married opposite sex couples.

US demographer Gary Gates has explored the implications of legal recognition on international competitiveness in a recent paper which notes that in Richards's Florida's framework, recognition of same-sex couples offers a strong signal to gay and non-gay people alike that a country welcomes diversity. This welcoming attitude according to Gates, attracts the broadest possible creative workforce that he considers vital to Ireland's economic future.

Gates notes further:

“On a practical level, legal recognition of same-sex couples can also make it easier for global companies to move lesbian and gay employees, their partners, and families from one country to another without risking the economic penalties and logistic challenges often associated with non-recognition of their relationships.” (Gates, 2008).

Same-sex couples can marry or enter into some form of civil partnership in many of the countries with which Ireland has strong trading and other links. In Europe, these include the UK, Germany, the Netherlands, Spain, Denmark, Sweden, Norway, Belgium, Luxembourg, Portugal and the Czech Republic.

Same-sex couples can marry in Canada or marry or enter into civil partnerships in a number of States in the US including Massachusetts, Connecticut, California, New Jersey, New Hampshire, Oregon, Washington State, the District of Columbia, Hawaii and Maine. Under his civil rights agenda for the new administration, President Barack Obama also supports the introduction of full civil unions for same-sex couples at federal level and the inclusion of sexual orientation as a protected ground under new federal anti-discrimination legislation (see www.whitehouse.gov).

4. THE INNOVATIVE WORKPLACE

“The ability to think critically and creatively, innovate and adapt to change, to work independently and in a team and to be a reflective learner are prerequisites for life and for the workplace in the 21st Century” - National Council for Curriculum and Assessment, 2005.

The National Workplace Strategy (National Centre for Partnership and Performance, 2005) puts forward a vision of the innovative workplace of the future that incorporates a range of interlinking characteristics. These include agility and responsiveness to new ideas and customer demands, the effective application of knowledge and high levels of productivity. And workplace characteristics supporting these include involvement and participation of staff, effective networking (for example with suppliers, customers, business partners etc.) and provision for continual learning (including informal and formal systematic processes of skills upgrading).

The Workplace of the future, the National Workplace Strategy states, will also be ‘proactively diverse’. In particular, the organisation will understand the value of diversity in terms of business benefits and employee well-being and this will lead to proactive practice in the workplace to give this effect.

The Business Impact of Equality and Diversity (Monks, 2007) which was commissioned jointly by the National Centre for Partnership and Performance and the Equality Authority, outlines some of these benefits. In particular, the study shows that organisations/companies perceive performance outcomes from investment in diversity and equality in four inter-related areas:

- Human capital benefits such as the ability to resolve labour shortages and recruit and retain high calibre staff.
- Increased market opportunities with access to more diverse markets.
- Enhancement of organisational reputation to suppliers, customers and prospective and existing employees.
- Changes to organisational culture such as improved working relations. (Monks, 2007: 8)

Forfás in its strategy document *Towards Developing an Entrepreneurship Policy for Ireland* (2007) has also highlighted the very significant contribution that could be made to the Irish economy by reducing barriers to entrepreneurship that impact on particular groups such as women and immigrants. The strategy document notes that it is generally considered that immigrants can be more entrepreneurial because of their personal traits of self-determination and risk taking, which have been evidence by their taking the decision to leave their country of birth in the first place.

The role of women entrepreneurs has also been highlighted in *Entrepreneurship in Ireland 2007* (Fitzsimons and O’Gorman, 2008) a report of the Global Entrepreneur Monitor which was sponsored by Forfás, Enterprise Ireland and the Gender Equality Unit of the Department of Justice, Equality and Law Reform. The report notes a closing in the gender gap in entrepreneurship, with significantly more women recorded as early stage entrepreneurs in 2007. However, the report also notes continuing barriers for women including more limited connections with other entrepreneurs. Fear of failure also had a greater impact on women entrepreneurs than it did for men. (Fitzsimons and O’Gorman, 2008: 64)

The Emerging Visibility of Sexual Orientation

According to IBM, strong diversity policies and an inclusive workplace for lesbian and gay staff is fundamentally about supporting employees to contribute to their full potential in an atmosphere of understanding, respect and trust. This is considered central to creating a workplace environment where creativity and innovation flourishes, a workplace where people from very different backgrounds and perspectives are able to share ideas and thinking⁸.

The visible and proactive inclusion of sexual orientation in diversity and equality policies has become standard practice across a growing number of companies and corporations worldwide – particularly in sectors at the heart of the knowledge economy.

In the United States, more than 260 major corporations employing more than 9.3 million people, received a top score from the HRC, the national lesbian and gay organisation, for the measures they had taken to make their workplaces accessible to and supportive of gay people (HRC Corporate Equality Index, 2009). Measures in this respect included recognition of same-sex partners for the purposes of health insurance, pensions and other workplace benefits, with such inclusion being considered as central to a company's capacity to attract lesbian and gay staff.

In Ireland, GLEN has developed positive links with a range of companies in the knowledge economy, all of which have strong diversity policies which are visibly inclusive of lesbian and gay people. These include Google (whose European Headquarters is based in Dublin), IBM Ireland, Accenture and Dell (whose international service centre is based in Cherrywood).

8 IBM, 2004. 'IBM: Promoting an Inclusive Workplace for Gay, Lesbian, Bisexual and Transgender Employees'. In *Inspiring Excellence: Best Practice in Corporate Responsibility in Ireland*. Volume II –BITCI.

5. THE PIVOTAL ROLE OF EDUCATION AND TRAINING

5.1 THE NEED FOR GREATER PARTICIPATION IN EDUCATION AT ALL LEVELS

“We need to improve our competitiveness in order to achieve our ambitions for social and economic progress. This is even more essential at a time of great economic and financial difficulty and uncertainty. Education is at the centre of this policy imperative”. Dr. Don Thornhill, Chairman, National Competitiveness Council.⁹

Ireland must aspire to an ambitious educational profile for the labour force by 2020 if it is to develop as a competitive, innovation-driven, knowledge based, participative and inclusive economy, according to the Expert Group on Future Skill Needs (EGFSN). Without policy change, the Group forecast a likely shortage in the medium to long-term of around 4700 graduates per year side by side with the possibility that a large number of low-skilled individuals will be unable to find suitable employment (2007: 90).

The Expert Group proposed a range of actions to radically alter this projected educational profile into one capable of supporting the new knowledge economy. Actions put forward include increasing the Leaving Certificate completion rate to 90 percent by 2020 and the progression rate to third level from 55 percent to 72 percent.

These ambitious targets have implications for all levels of the education and training system including 1st and 2nd level education sectors, for the universities and for the delivery and take-up of life-long learning. In particular:

- *Promoting Equality.* Facilitating a greater number of young people into third level, the NESC has noted, requires decisive breakthroughs in addressing educational disadvantage, combating the inter-generational transmission of low expectations and also protecting young people from hazard, including bullying (2008: 223).
- *The Pivotal Role of Higher Education Institutions.* The growing importance of third level education in skills development also makes higher education institutions even more pivotal to the economic life and future of the country. This implies that the quality of teaching in higher education institutions and their flexibility and responsiveness to a more diverse student body will become major determinants of economic prosperity and social cohesion (NESC, 2008: 223).
- *Life-long Learning.* The Expert Group on Skill Needs also acknowledged the challenges faced in up-skilling the existing workforce and in particular delivering on the ambitious target of facilitating more than half a million workers to progress their qualifications. They include practical barriers in accessing education and training opportunities, lack of support from employers and also personal barriers, such as lack of confidence or knowledge or awareness of the benefits of training.

⁹ In Preface to ‘Statement on Education and Training’ February 2009. Dublin, National Competitiveness Council.

The attitude and disposition of people to life-long learning is also in part shaped by previous experiences of the education system, which may require, the Expert Group states, specific steps to tempt people back into formal and non-formal education and training (EGFSN, 2007).

Developing ‘People Skills’

The growing importance of services and innovation also has important implications for the skills being developed at different levels of the education system. The NESCS notes:

“The rise of services makes ‘soft’ or people-handling skills increasingly important alongside ‘hard’ skills and qualifications. Widespread services innovation requires a vibrant and inclusive education system, management and organisational cultures that value and competently guide innovation, and social policies that are seen to protect people while rewarding change”
 NESCS: 2008: 7.

This perspective, and in particular the emphasis on the importance of inter-personal skills, is reflected in the Key Skills Framework developed by the National Council for Curriculum and Assessment (NCCA) for senior cycle in second level education (Available from the NCCA at . <http://www.ncca.ie/eng/index.asp?docID=263>). In particular, the Council identified five inter-related skills as being central to teaching and learning for the information age. These are:

- Capacity to process information;
- Critical and creative thinking;
- Capacity to work with others;
- Capacity to communicate effectively and;
- Personal effectiveness.

5.2 THE GROWING IMPORTANCE OF DIVERSITY IN EDUCATION

“The development of a successful knowledge society needs to be characterised, not just by the achievement of high levels of advanced qualifications, but by the diffusion of knowledge and a widening of access to it throughout the population”. Irish Universities Association, 2008

Diversity of people, for example across age, gender, family circumstances, ethnicity and so on, clearly impacts on the effectiveness and accessibility of education and training across the life-cycle of any individual. It is difficult to establish a culture of life-long learning for example, when particular levels or areas of education and training (such as the leaving certificate) are considered appropriate for a particular age group only or for a particular gender. Equally, inter-personal skills, team work and creative thinking are unlikely to be fostered in an environment where hostility to any form of difference or diversity is permitted or left unchecked.

The importance to the Irish economy of accommodating people of diverse ethnic and national backgrounds has also been highlighted by the Expert Group on the Future of Skills Needs. Even in the context of significant up-skilling of the resident population, the Group notes the continuing importance of attracting high skilled

migrants if we are to develop a population profile that is skewed towards higher levels of skills attainment. This will require, the Group notes, effective integration strategies, including a strategy to ensure that migrants integrate into the formal education and training system at all levels and that the children of new immigrants are successfully integrated into the Irish education system, particularly at primary and secondary level (2007: 93).

The benefits of accommodating diversity in education, according to US economist Richard Florida are not just about increasing accessibility: diversity of all kinds enhances the outcomes of the education system itself by creating the conditions in which creativity, a central ingredient to innovation, can flourish. Highlighting again the three T's behind the knowledge/creative economy (technology, talent and tolerance) Florida found that universities contributed much more to innovation than by simply pumping out commercial technology. Even more powerful was their role in attracting talent to the university and its environs and their role in establishing an environment of tolerance and diversity, strongly linked with creativity and innovation (Florida et al, 2006).

Extending innovation from the university into the wider economy critically depends, Florida notes, on the openness of the society in which the universities are located. As he puts it:

“On their own, there is only a limited amount that universities can do. In this sense universities are necessary but insufficient for regional innovation and growth. To be successful and prosperous, regions need absorptive capacity – the ability to absorb the science, innovation and technologies that universities create. Universities and regions need to work together to build greater connective tissue across all 3 Ts (technology, talent and tolerance) of economic development”. (Florida et al, 2006).

These points have in turn been raised by the CEO of the Irish Universities Association:

“The [Richard] Florida creative society model has strong resonances in the Irish context. I would say that we need to position our Universities as the hubs of the creative society”. Ned Costello CEO, Irish Universities Association, 2007¹⁰

Sexual Orientation as an Indicator of Diversity and Inclusion

Although progress has been made in supporting lesbian and gay people in the workplace, far less progress is evident in education. For example, a recent report (*Supporting LGBT Lives*) co-commissioned by GLEN and the National LGBT Youth Service, *Belong To*, found second level education to be one of the primary sites for extensive bullying and harassment of lesbian and gay students (Mayock et al 2009). This had a marked impact on participation and outcomes, including fear of being oneself, missing school to avoid bullying and in some cases early school leaving.

10 From Address by Ned Costello, CEO, Irish Universities Association at the President's Research Awards, Dublin City University, February 2007.

Also, little evidence was found of any systemic responses to this bullying (especially at the level of the school) or of any measures to support safe and inclusive participation of lesbian and gay students.

If lesbian and gay people are the 'canaries in the coalmine' of diversity, as Professor Richard Florida suggests (see section 2.1) above, then the impact of negative treatment of young lesbian and gay students is likely to be magnified as other students learn of the price of difference.

Creating the conditions for teamwork, creativity and critical thinking in school (the goal for example of the Key Skills Framework developed by the National Council for Curriculum and Assessment) is unlikely to be served in circumstances where bullying of some students goes unchallenged. A culture of bullying, as increasingly highlighted in by employers in workplace environments, undermines the capacity for innovation and creative thinking.

6. MOBILITY OF WORKERS, TOURISTS, BUSINESS TRAVELLERS AND STUDENTS

“The ability to attract people and talent is the single biggest predictor of a city’s economic success.” – New York City Mayor Michael Bloomberg¹¹

Flexibility and responsiveness of immigration laws and regulations have become increasingly important factors in attracting and retaining high skilled workers as well as attracting a broader base of visitors (including tourists, students and business Travellers) and ensuring they return. The means by which these regulations are administered and policed are also critical. Immigration officials are often the first representatives of the State that people will meet upon entering a country and this encounter can have a huge impact on the impression they form of the country and city they are visiting.

In 2008 the Partnership for New York City found that New York had been put at a severe competitive disadvantage because of increasing restrictions on the movement of foreigners in and out of the Unites States, whether in their capacity as employees, scholars or business travellers (Partnership for New York City, 2008). In an international comparative study on *Cities of Opportunity*, undertaken for the same Partnership by the Dublin Office of Price Waterhouse Cooper (2008), diversity of population, numbers of international tourists and ease of entry (indicated by provision of visa waivers and flexibility of visas) were identified as significant indicators of a City’s openness for business.

Even in the context of the current economic downturn, the Government notes in *Building Ireland’s Smart Economy* (2008) that Ireland still needs to have flexible and responsive immigration regulations to attract high skilled workers and to facilitate the mobility of those engaged in internationally traded sectors. Removing obstacles to the mobility of researchers has also been identified as a priority in the *Strategy for Science, Technology and Innovation* (2006).

The report of the Inter-Departmental Group on the *Internationalisation of Irish Education Services* (2004), has identified the “coherence, transparency, efficiency and effectiveness of the visa system” as a “vital issue” in encouraging students to study in Ireland. The development of this education market, the Group noted, is consistent with the generally open and export oriented nature of the Irish economy and facilitates the development of economic, financial and political cooperation. It should also encourage tourism in future years, assist in the promotion of Irish exports and provide an additional source of supply of highly skilled graduates (2004: 5).

The National Economic and Social Council (NESC) however, has cautioned against a migration policy that focuses solely on channels and conditions of entry of workers without considering the broader range of factors that are necessary if the country is to benefit from immigration. The NESC states:

¹¹ Quoted by the Partnership for New York City in their 2008 report *Winning the Global Race for Talent*.

“Migration can enhance economic and social progress and prosperity but this is not inevitable. Our analysis shows that migration is most likely to enhance Ireland’s economic and social development when it meets certain conditions. It must support an upgrading of the economy, skills and work. It must yield mobility and integration, rather than segmented labour markets and social separation. It must be combined with enhancement of social participation by means of the developmental Welfare State and be associated with a narrowing of income distribution”(NESC, 2006: xii).

Diversity, Equality and the Mobility of Workers, Tourists and Business Travellers

Accommodating diversity of people in immigration regulations and other policies relating to inward mobility has important implications for achieving the goals set by Government in attracting skills and talent to Ireland as well as opening up trading links, including the creation of tourism flows from new regions of the world.

The Government’s Strategy for the Smart Economy and the Asia Strategy for example, both highlight the importance of generating new trading links (including tourism links) with Asia (especially China) and with other “high growth markets” including the Gulf States, Brazil, Russia and other emerging markets (2008: 78). The success of this strategy implies an even greater level of engagement with people of diverse cultural, ethnic and national backgrounds and the need for flexibility and responsiveness of immigration regulations in facilitating mobility of these people whether as tourists, students, business visitors or workers.

Again, respect for diversity in the administration of immigration procedures is important for the effectiveness of the regulatory framework. People of diverse ethnic backgrounds legitimately entering the country, may be discouraged from a return visit (or locating or doing repeat business in the country) if they feel they are treated disrespectfully or differently to others when engaging with immigration services.

Family Diversity and Same-Sex Partners

Chambers Ireland has noted that one of the most significant factors that high skilled internationally mobile workers take into account in deciding to locate in a particular country is the extent to which immigration regulations facilitate the entry and participation of immediate family members – with family defined quite widely to include partners in stable cohabitating relationships (Chambers Ireland, 2006).

The importance of facilitating the entry and participation (including entitlements to work and access education) of spouses, partners and children in this respect has been progressively recognised in Irish immigration regulations. In 2006 for example, the Government incorporated the EU Free Movement Directive¹² into Irish immigration regulations. This provides for the entry and residence of the families of an European Economic Area (EEA) citizen moving to any member state, with family member defined as including the partner (including same-sex partner) with whom the EU citizen has contracted a civil partnership or civil union in one of the member states.

¹² Directive 2004/58/EC of the European Parliament and the Council of 29th April 2004.

Even if the host country does not allow for or recognise marriage between same sex couples or civil partnership (as exists in the UK and a range of EU western European member states but not yet in Ireland), it is still obliged under the terms of Free Movement Directive to put in place procedures to facilitate the entry of the partner (including the same-sex partner) of the EU citizen in a de facto relationship, or as the Directive puts it, “the partner with whom the Union citizen has a durable relationship, duly attested”.

Further progress has been made in extending provision for people in de facto relationships. For example, the non-EEA de facto partners (including same-sex partners) of Irish citizens can now obtain leave to remain in Ireland and be exempted from work permit conditions on the basis of their relationship with their partner. The Government’s proposals for civil partnership for same sex-couples, which were published in 2008, also provide for equal treatment of married and civil partners same-sex couples in immigration regulations.

Recognition of same sex couples in this respect, as noted earlier by US demographer Gary Gates, has both a symbolic and practical consequences. At a symbolic level, it is another indicator of the openness that is conducive to creativity and innovation. And at a practical level, legal recognition of same-sex couples makes it easier for global companies to move lesbian and gay employees, their partners, and families from one country to another without risking the economic penalties and logistic challenges often associated with non-recognition of their relationships (Gates 2008).

7. CONCLUSIONS

It is now widely acknowledged that people and their skills, talent and capacity to innovate have become increasingly critical to the long-term success of the Irish economy and its capacity to recover in the short to medium term. As the Government has stated in *Building Ireland's Smart Economy: A Framework of Economic for Economic Renewal* (2009), Ireland can no longer compete in traditional manufacturing and low skilled services but must develop its competitiveness around skilled workers, productivity in the dynamic sectors of the new economy and the creative application of knowledge.

The key challenge for policy makers in this context is how to nurture, attract and retain the people with skills, talent and capacity to innovate that is central to the new economy. It is now widely acknowledge that a wide range of factors are critical to meeting this challenge, including the quality of our urban centres (especially Dublin which is uniquely placed to compete with other large metro regions internationally), support for the innovative workplace, accessibility and quality of education and training and a labour market and migration regulatory framework that facilitates the mobility and movement of workers, tourists, business travellers and students between Ireland and its trading partnership internationally.

It is also increasingly acknowledged that equality and acceptance of diversity are an important component to success across all these domains, each of which is interlinked with the other. For example, many of the leading knowledge/creative sector companies such as Google, IBM and Microsoft (all based in Dublin) have very strong equality opportunities and diversity polices, which are considered essential to their capacity to attract, retain and nurture the skills they need to grow their businesses'. However, these policies can be undermined if the city in which the companies are based is not an attractive, safe and welcoming living environment for their diverse workers, whether on the basis of their gender, age, ethnic origin, family status or sexual orientation.

The growing acknowledgement of the links between equality, diversity and the economy in this respect means that equality and diversity polices, programmes and regulatory framework have become an important part of our overall economic support infrastructure and competitiveness. This policy recognition is akin to the shift in thinking in education in the 1990s, where education is now seen as an important part of economic as well as social expenditure. It also means that diversity and equality are important factors in the process of economic recovery and renewal. As Paul Rellis, Chief Executive of Microsoft in Ireland said recently:

“One of the most emotional challenges facing this country is the fear factor. The country needs to focus on being ahead of the curve. We have a huge amount of people here who know how to work internationally. One of the biggest investments the country can make is in its people. The ability to work cross-culturally will be as important as the quality of the graduates coming out of university”. Paul Rellis, Chief Executive, Microsoft Ireland¹³.

13 Quoted in Irish Independent, February 26th, 2009.

8. BACKGROUND TO GLEN – GAY AND LESBIAN EQUALITY NETWORK

GLEN ~ Gay and Lesbian Equality Network is a national NGO promoting equality for lesbian, gay and bisexual (LGB) people in Ireland. GLEN is co-funded by the Department of Justice, Equality and Law Reform, the HSE and by the Atlantic Philanthropies.

GLEN's five year *Building Sustainable Change* Programme was launched by the Taoiseach Bertie Ahern TD in April 2006. The programme has a number of key strands in promoting equality including advocacy for equality in legal recognition of same-sex couples and families, addressing exclusion and harassment in education, and the development of community infrastructure for the LGB population. The Programme also aims to promote equality and inclusion in employment.

GLEN has funding from the Department of Justice, Equality and Law Reform to input to the Department on equality issues relating to LGB people. GLEN was represented on the Working Group established by the Minister for Justice, Equality and Law Reform which has led to Government's current proposals to introduce civil partnership for same- sex couples.

GLEN's staff members (including an economist, teacher/expert on curriculum development, a practitioner on enterprise support and an expert of health policy and programme development) have participated widely on State policy working groups in generating feasible policy and programme actions across a whole range of areas including relationship recognition, education, employment, health and wellbeing.

www.glen.ie

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