

Who is Better off?

Measuring Cross-border Differences in Living Standards, Opportunities and Quality of Life on the Island of Ireland

*Conference on Data Protection Concerns In
Cross Border Research and Practice*

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Context

- ❑ Increased focus on north-south issues on the island
 - ❑ Following the Brexit referendum, the establishment of the Shared Island Unit in the Department of the Taoiseach and the issue of possible constitutional change
- ❑ Little is known about how Northern Ireland and Ireland actually compare and what might be driving any differences
 - ❑ Lack of existing comparative research
- ❑ Possible future constitutional change is a complex and contentious issue – need for an evidence-based approach to any debate

Our contribution

- ❑ Comprehensively explore differences in living standards across a wide range of areas, including more traditional economic measures, but also examine opportunities for life progression and general well-being
- ❑ Make a contribution to developing the evidence base necessary for an informed discussion on north-south issues and any future border poll debate

Difference in Income Levels

- In terms of GDP per capita, NI consistently ranks amongst the poorest regions relative to GB and the gap compared to wealthier regions is widening over time
- Relative to RoI (using GNI* for RoI which removes the distortionary impact of multinationals), the gap is 51%
- This points to lower productivity in NI relative to RoI and GB

Income Levels

- A reliable measure of living standards is real household disposable income (adjusting for price differences between the regions)
- In 2017, this measure was \$4,600 higher in Rol, equating to a gap of 12%
- The distribution of income also differs across both areas
- After taxes and transfers, we find that 14.3% of individuals in NI were at risk of poverty (50% poverty line) compared to 8.9% in Rol

Opportunities for Life Progression

Human Capital/Education is very important in explaining NI's lower productivity

	RoI	NI
Education Enrolment Rates by Age Range in 2018:		
3-5 year-olds	100	86.6
6-14 year-olds	100	98.1
15-19 year-olds	92.6	73.6
20-29 year-olds	29	15.2
30-39 year-olds	7.3	3.3
40-64 year-olds	5.6	1.3
Rate of Early Leavers from Education and Training (in % of the total population aged 18 to 24) (2018)	5.0	9.4

Opportunities for Life Progression

- Analysis indicates that early school leaving is much more heavily concentrated in NI among males and those with working class backgrounds compared to RoI
 - Suggests that the education system in NI is relatively less effective as a vehicle for social inclusion among students from working class backgrounds and males
- Overall, opportunities for individual progression afforded to individuals (and/or the take-up of these opportunities) through state education provision appear to be more restricted in NI compared to RoI

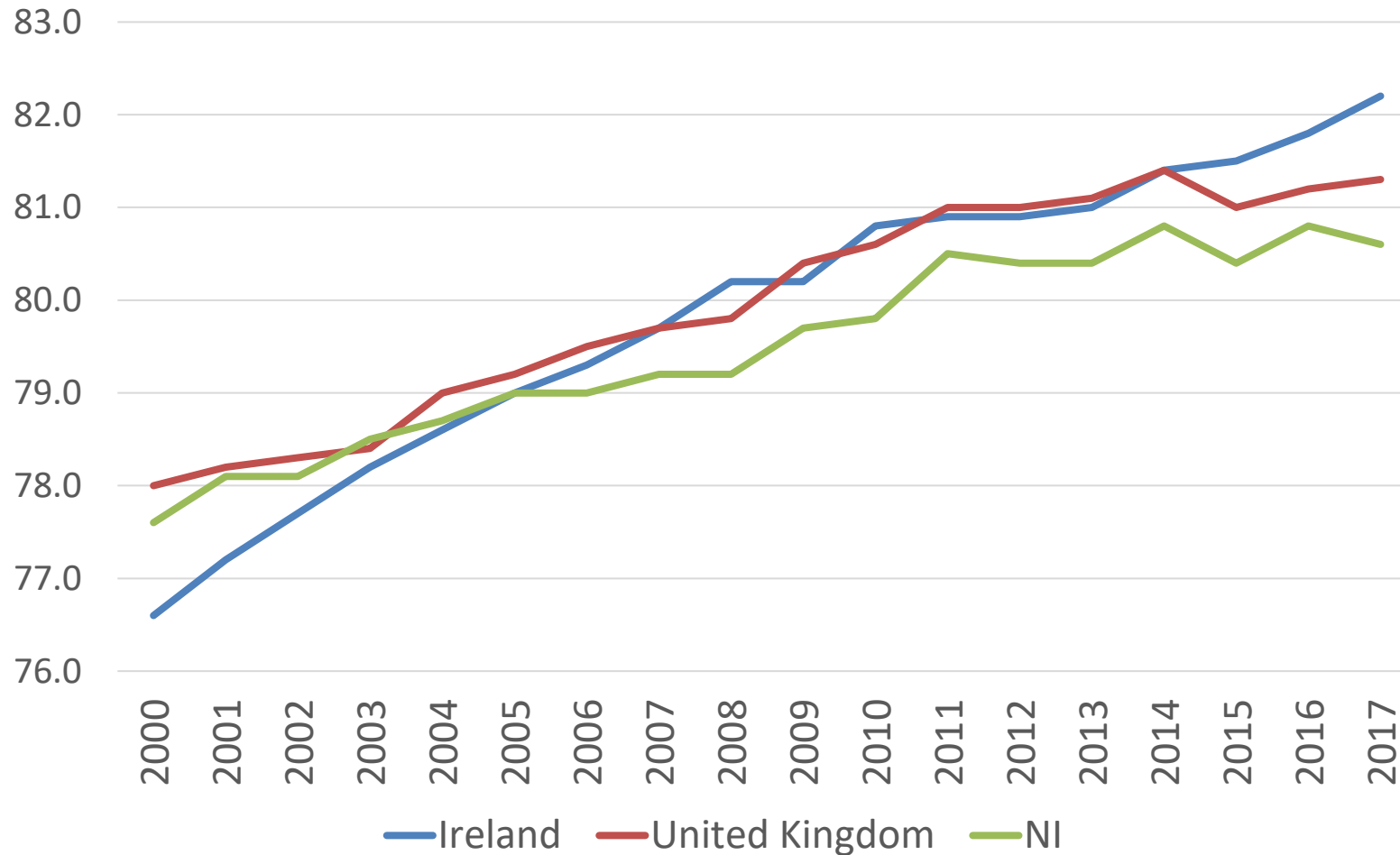
How do the health systems in NI and RoI compare?

- ❑ Gap between RoI and UK health systems has narrowed. In 2017 per capita health spending (PPP adjusted) was €3,930 in Ireland and €3,045 in the UK. The EU average spend was €2,773. (OECD)
- ❑ The Irish system has more up-front charges compared to the NHS; however healthcare remains free at the point of use for the most vulnerable in society
- ❑ Both health systems appear to be outlying poor performers among OECD countries and have acute care bed occupancy rates exceeding 90%
- ❑ NI's NHS is a poor performer compared to GB. In 2019, 21% of people in NI (387,000) are on a waiting list for elective care compared to 8% in England, 7% in Scotland, 14% in Wales.

Life Expectancy

- Broad range of factors including income, education and employment opportunities as well as well-being and access to healthcare services will together generally determine life expectancy in a region
 - Differences in life expectancy across countries can be interpreted as a cumulative measure of differences in general welfare and living standards
- In 2018, life expectancy at birth in RoI exceeded that of NI by 1.4 years

Life Expectancy at Birth



What is the likely cost of Irish unification?

- ❑ Subvention is estimated - we simply don't know how accurate the figures for it are. 2017/18 estimate (ONS) is £9.2bn
- ❑ Nevertheless, it is the Norths low productivity levels that create a need for subvention payments in the first place
- ❑ Lower productivity is not irreversible and could be addressed through investment and changes in policy
- ❑ The border poll debate often focusses on the level of subvention and ignores NIs structural problems (e.g. education, industrial composition)
- ❑ Addressing these problems will require investment and a change in policy. How much will this cost? Who will pay?

What information is required for an informed debate?

- What would an all-island approach to education, health, industrial policy, tax and welfare systems etc. look like?
- How would a move to all-island systems impact individuals in both regions?
- These questions can only be answered by systematic, comprehensive reviews of all key services in both regions.
- Need to assess the potential impacts of policy changes on NI productivity during any transition period (following a border poll ratifying unification)
- Need reliable, comparable metrics across all areas relating to living standards, life quality and opportunities for life progression in both regions
- Our research has only begun to scratch the surface

Ongoing ESRI Shared Island Research Projects

1. Cross-Border Trade in Services

Aim is to build a profile of services trade that may help identify potential for future growth and cross-border synergies

2. Primary Care – Ireland and Northern Ireland

- (a) compare primary care systems of Ireland and Northern Ireland along a number of domains including eligibility, structure, workforce, financing and expenditure;
- (b) quantify a range of primary care metrics in both jurisdictions including out-of-pocket expenditure, visiting rates, unmet healthcare needs and uptake of preventive services;
- (c) examine how differences in primary care systems in Ireland and Northern Ireland might impact on other parts of the system including the hospital sector
- (d) implications for policy

Ongoing ESRI Shared Island Research Projects

3. North-South comparison of education and training systems: Lessons for policy
 - (a) compare the patterns of educational participation and attainment in the two jurisdictions and examine patterns of educational inequality
 - (b) compare the levels of skills among the population from primary education to adult life
 - (c) examine what aspects of the education/training system factors shape any differences found in skills and qualifications
 - (d) assess what lessons can be learned for the future

Ongoing ESRI Shared Island Research Projects

4. Enhancing the Attractiveness of the Island of Ireland to High-Value Foreign Direct Investment
 - (a) identify and quantify the importance of a range of location-specific factors and policies underlying the attractiveness of Ireland and Northern Ireland to FDI in high-value sectors such as aerospace, pharmaceuticals, telecommunications, and software.
 - (b) examine possible scenarios for enhancing the attractiveness of the two jurisdictions on the island to high-value FDI in response to a range of policy choices available to the Government of Ireland and the Northern Ireland Executive.
 - (c) Contribute to identify opportunities for greater co-operation and policy co-ordination on the island of Ireland and a potential all-island offering for FDI in key high-value sectors