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

Séamus McGuinness & Adele Bergin
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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 RoI, 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 RoI
Opportunities for Life Progression
Human Capital/Education is very important in explaining NI’s lower productivity

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

Ireland

United Kingdom

NI
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 North’s 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