

Pay in Northern Ireland:

Beyond crude comparisons

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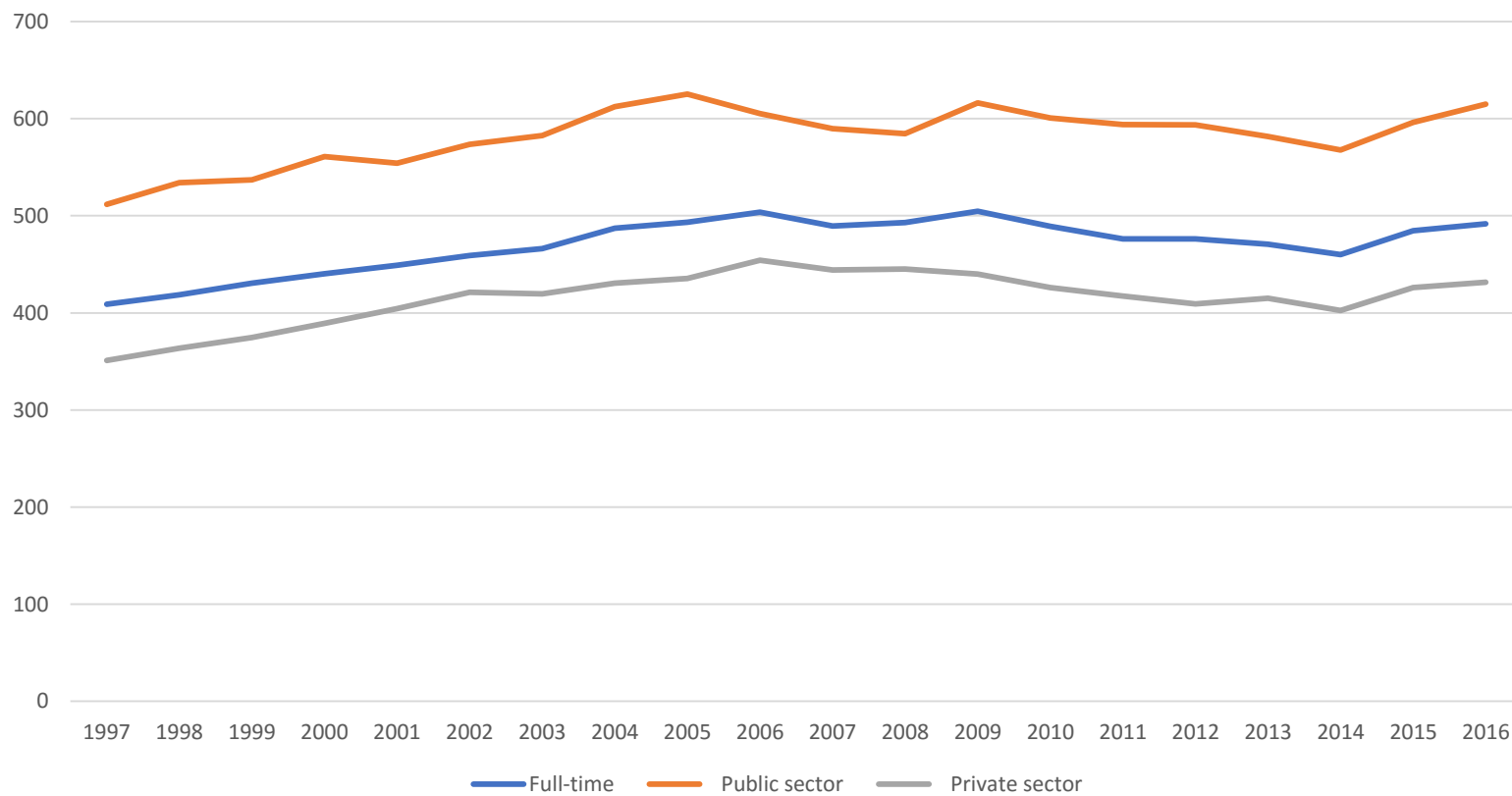


Research for new economic policies

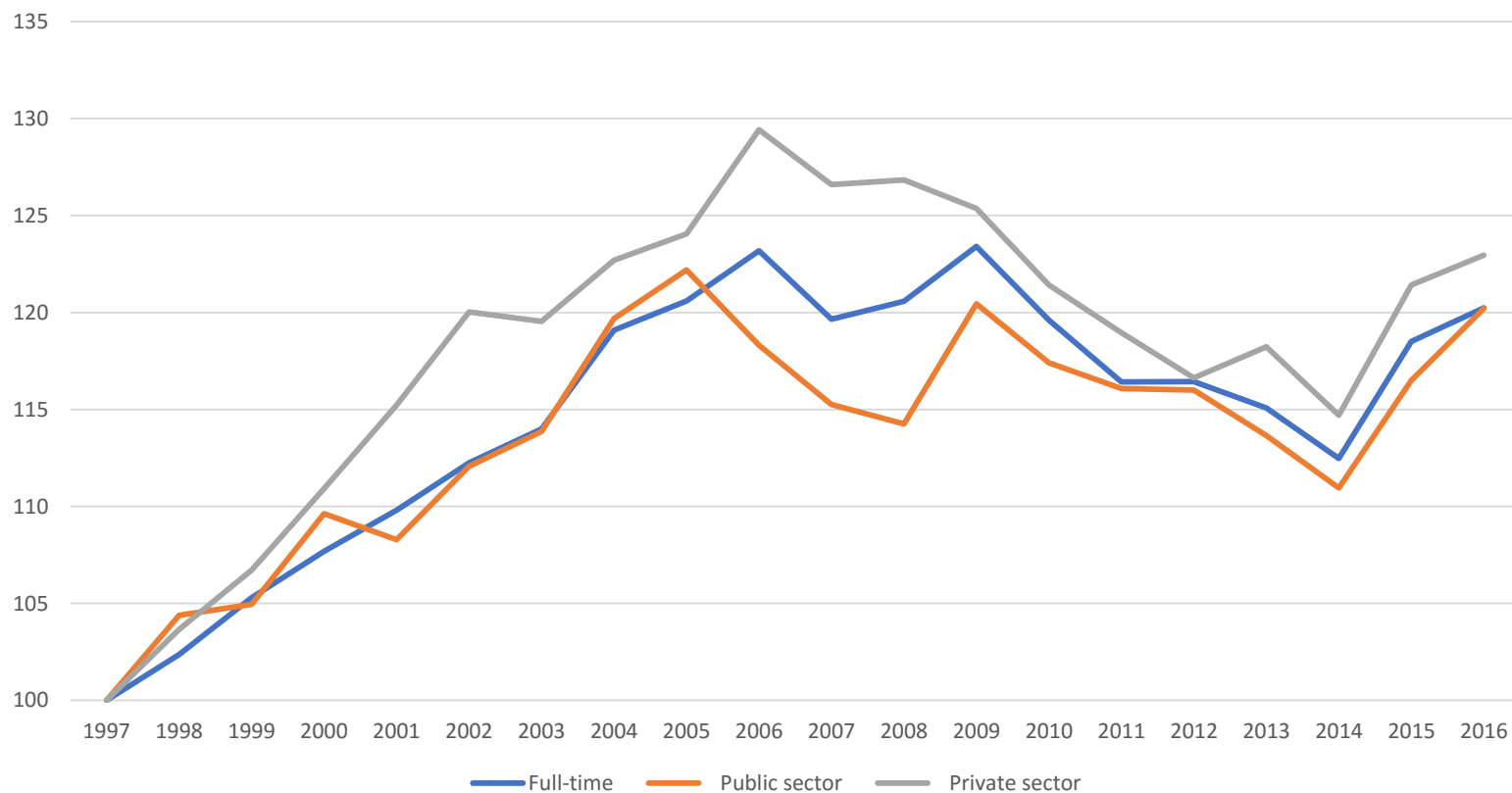
Outline

- 1. Pay in Northern Ireland**
- 2. Trends in public and private sector pay**
- 3. Measuring the gap**
- 4. Which gap?**

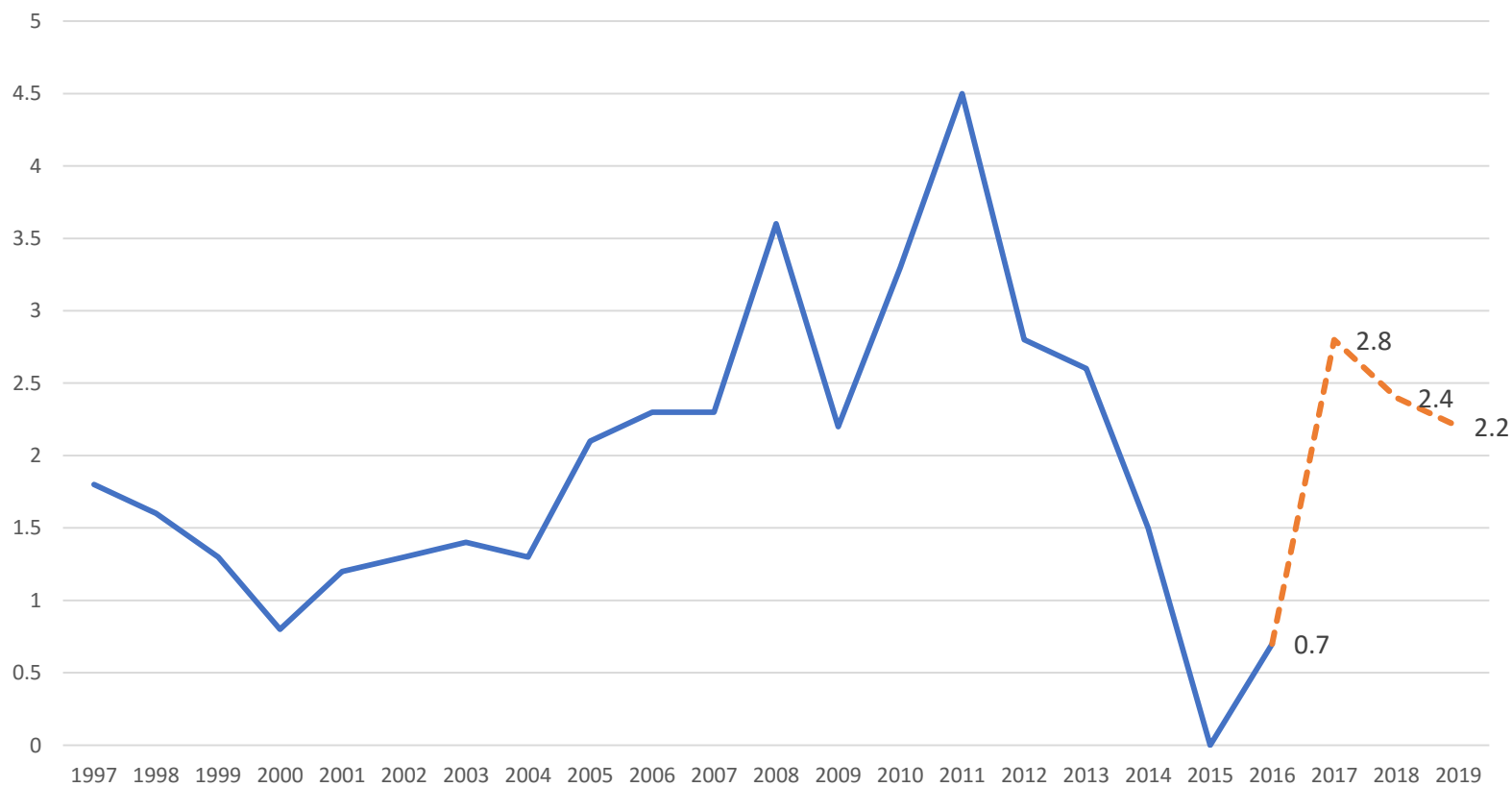
Pay in Northern Ireland



Pay in Northern Ireland



Inflation



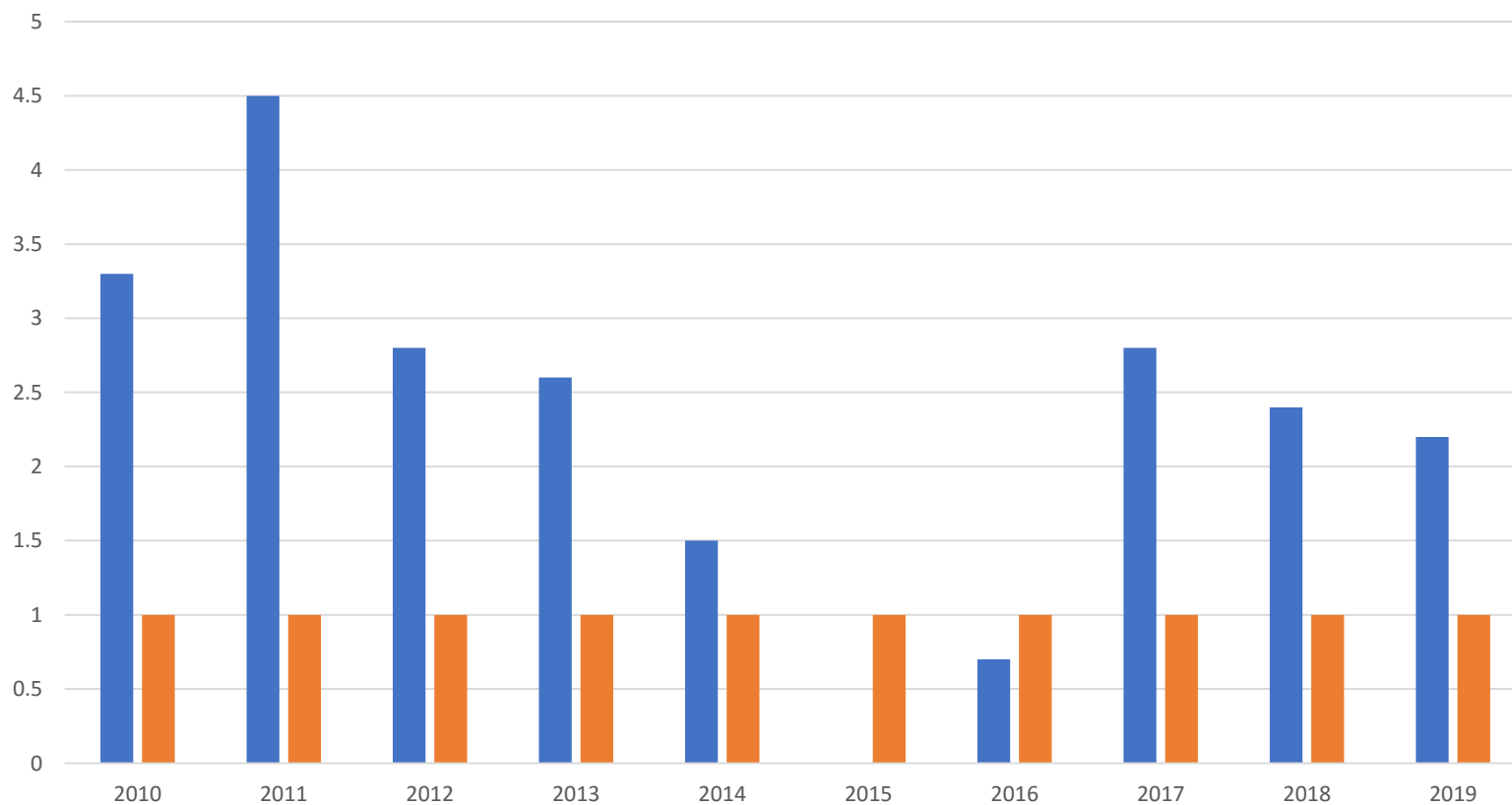
Low Pay

- Defined as an hourly wage below two thirds of the median hourly wage.
- In 2016 this was £7.20, same as NLW
 - Yes, NLW did help with low pay
 - No, it will not be enough
- Increases are linked to increases in UK median wage and nothing else
- ITS NOT A LIVING WAGE – resurgent inflation will show ineffectiveness of policy
- Also sectors where people are still low paid, particularly young

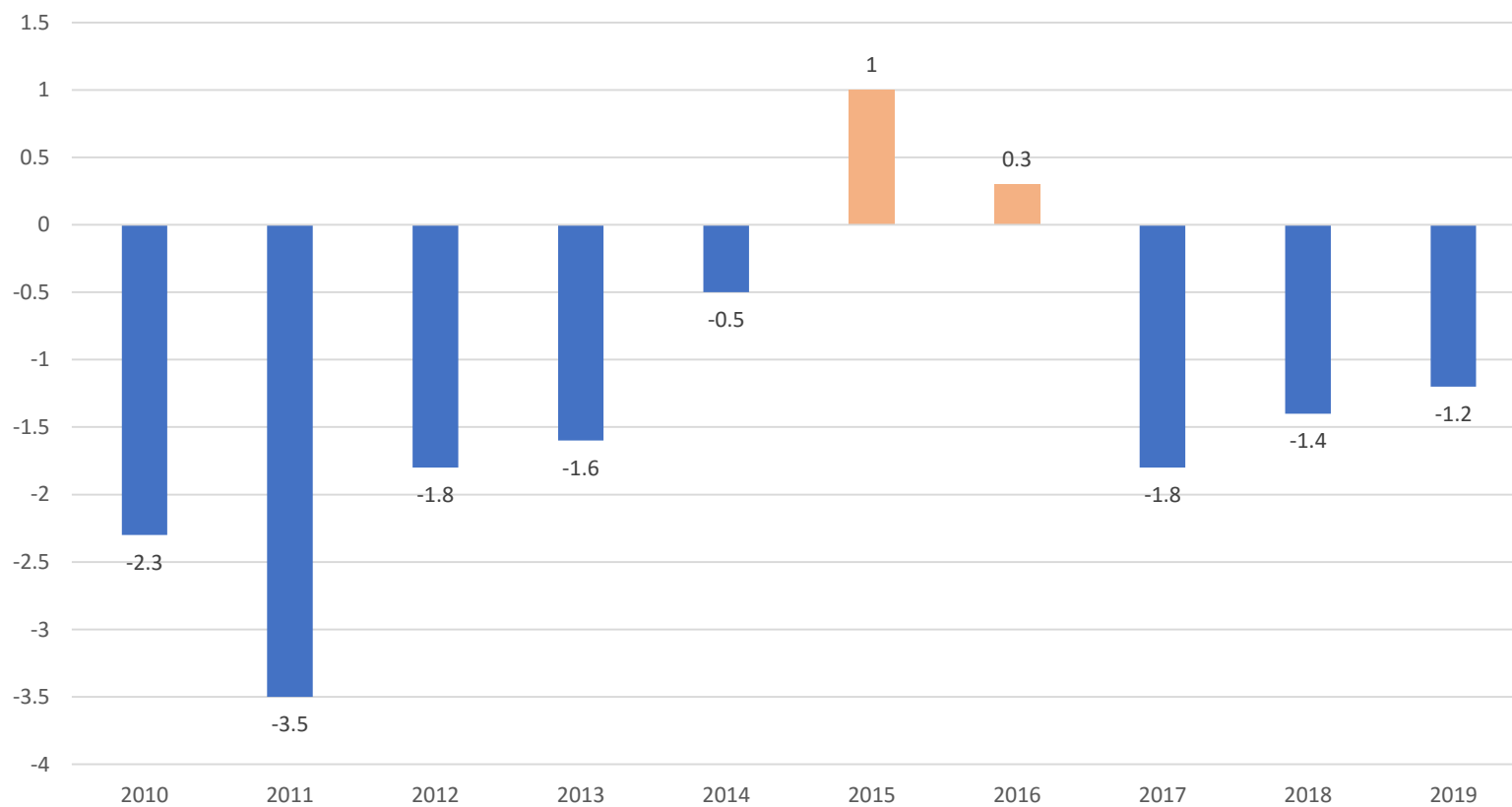
Low Pay

- Up to 25% of Wholesale and Retail workers being paid less than £7.20
- Up to 40% of Accommodation and Food workers paid below £7.20
- Low pay threshold is inadequate, need to shift focus to weekly wages (taking account of hours)
- Need to move beyond narrow focus of 'low pay' and a 'real' living wage will not be enough either
- Also need to focus on in-work poverty taking account of cost of living

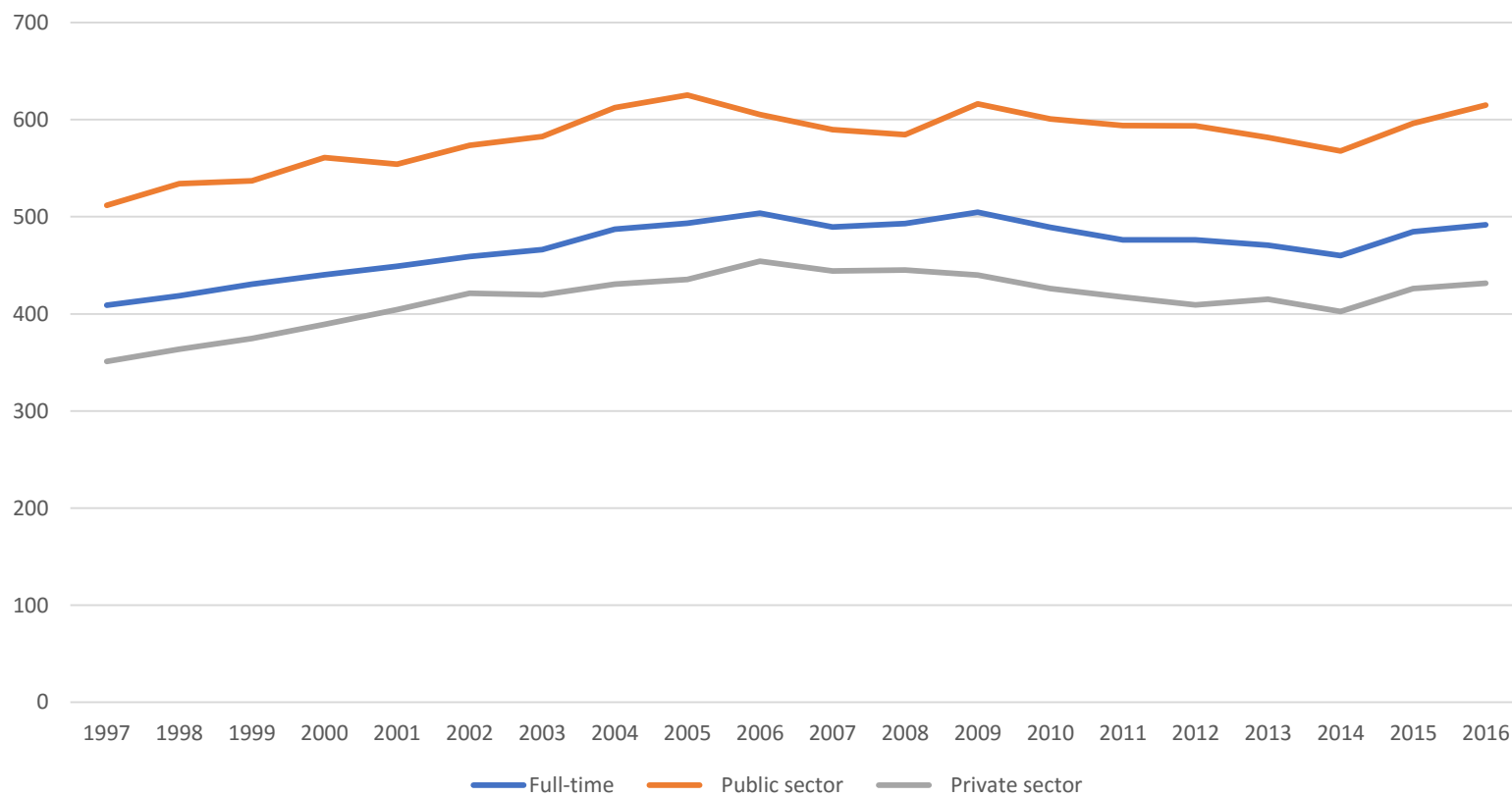
Inflation – PS Pay Cap



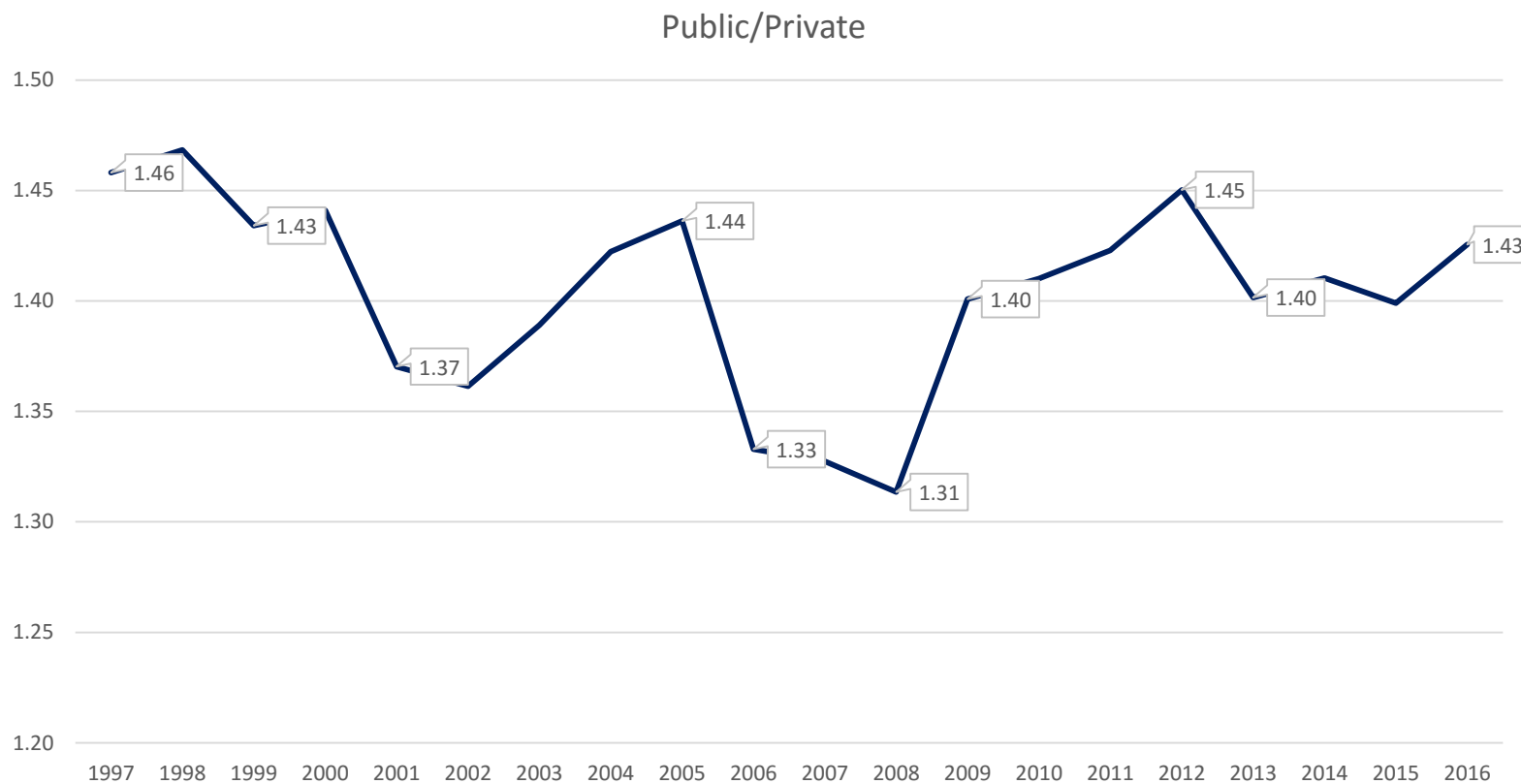
Inflation



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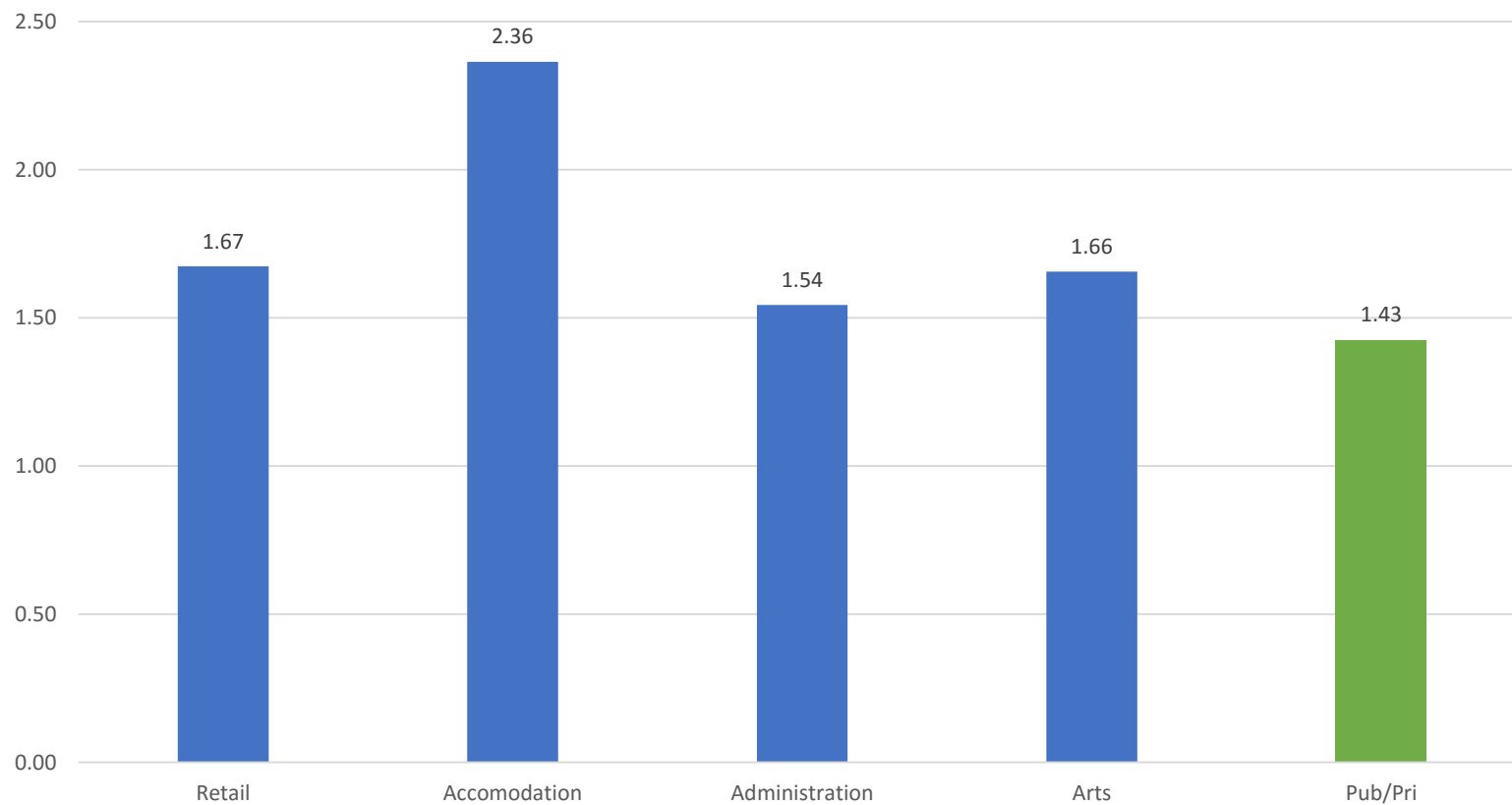
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Measuring the Gap

- What are we actually measuring? Why divide one by the other?
- Proper comparisons require at the very least occupational matching and educational stratification.
- With current pay data (Annual Survey of Hours and Earnings) no qualification data is collected.
- Few public sector jobs in areas like education, health and public administration have such counterparts in the private sector.
- If we're stuck with crude ratios, why focus on just one?

Which Gap? Finance?



Which Gap? Corporate managers?

