

WAGES AND WORKING CONDITIONS OF NON-IRISH NATIONALS IN IRELAND

DATE

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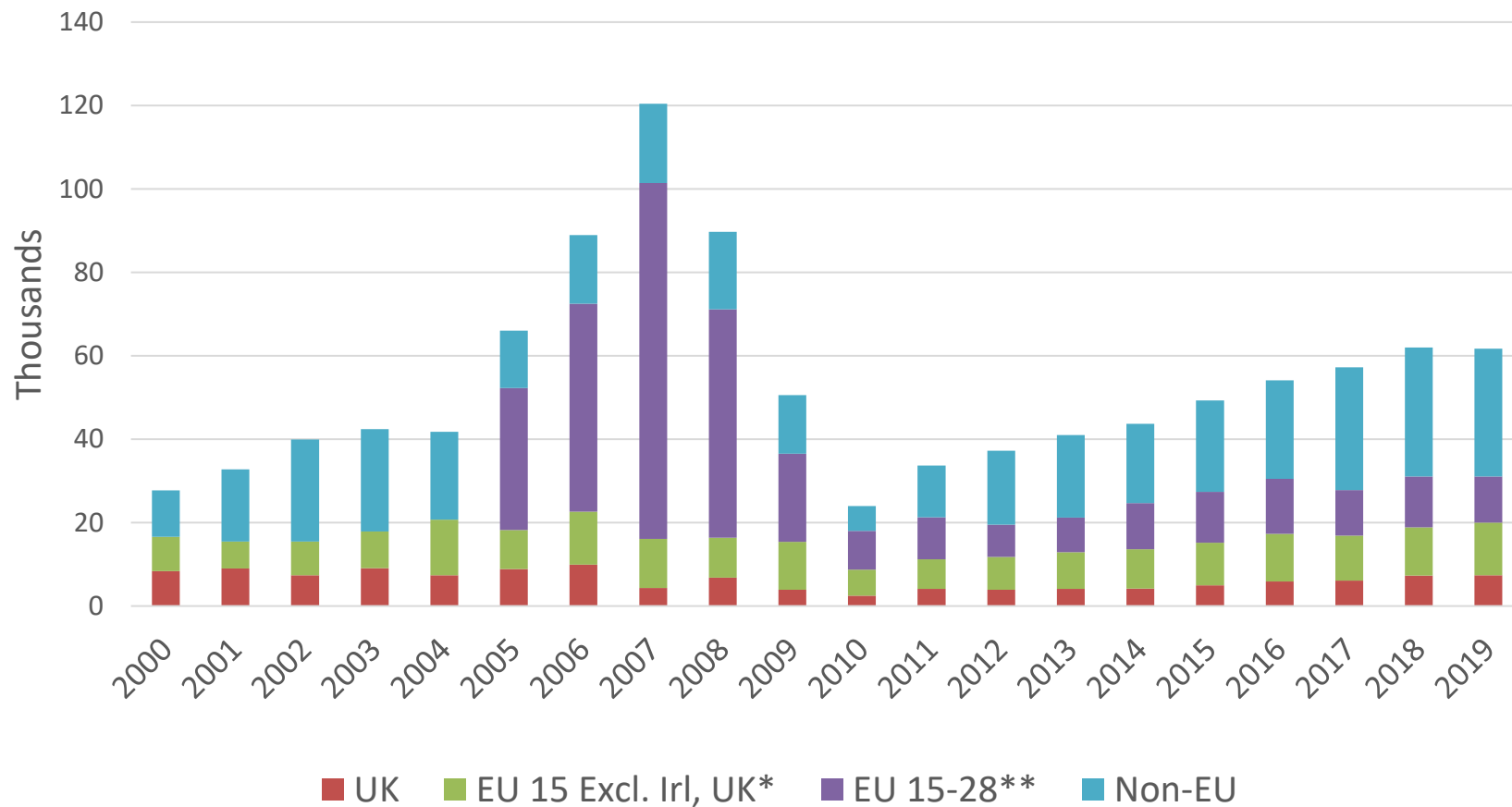
Introduction

- April 2021, 1 in 8 people in Ireland were non-Irish nationals (CSO, 2022)
- Migrants make a significant, and increasingly important, contribution to Irish economy
 - 2011-18: 14.3% of all employees in Ireland were non-Irish
- Wages and working conditions are integral to migrants' integration into society (OECD 2018)
 - Income for living, reducing risks of poverty
 - Mental and physical health and social inclusion
 - Opportunities for housing, family formation, children's integration

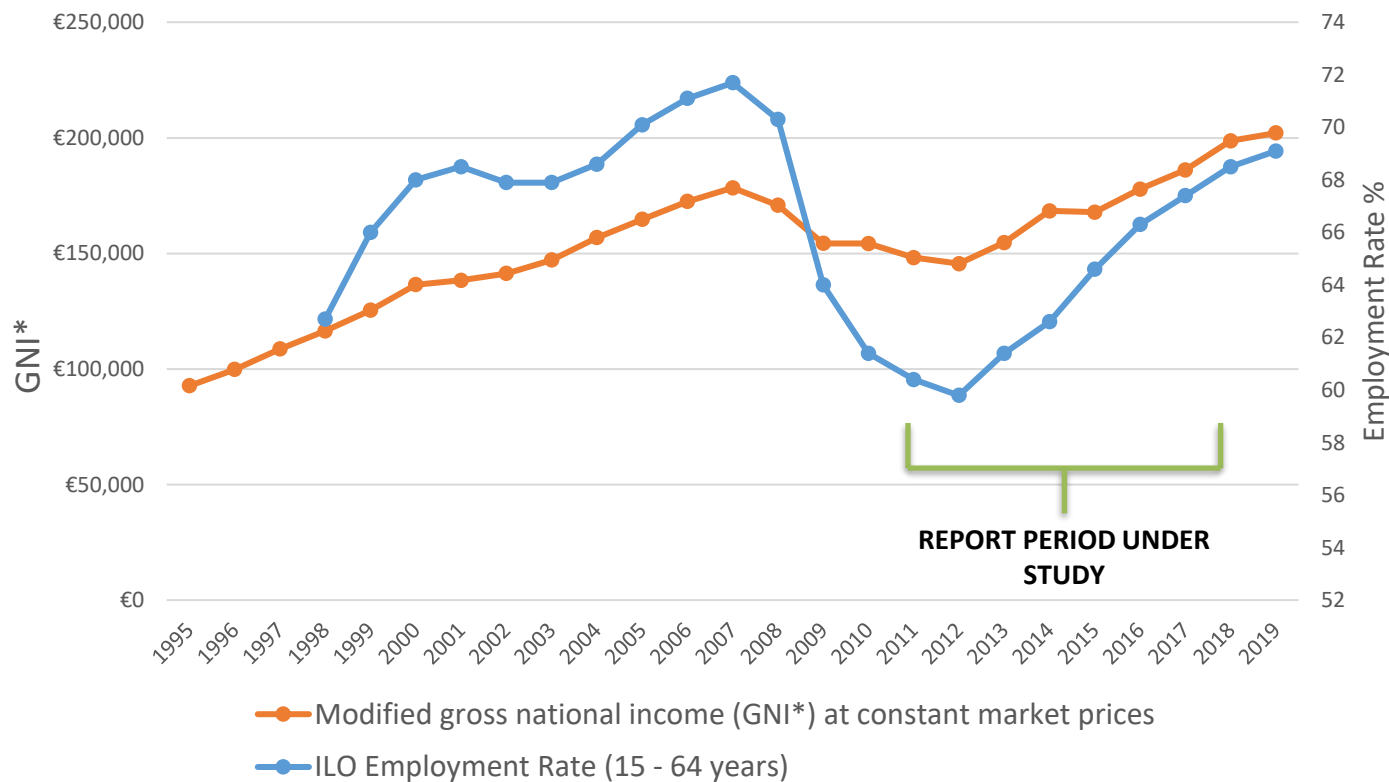
Introduction

- Aims of project:
 - Explore the working conditions *and* wages of non-Irish nationals, and compare them to Irish nationals
 - Fills a key gap in Irish research on the topic - high-quality data and more recent time-period (cf. Barrett and McCarthy, 2007; Barrett et al., 2012)
 - Over the period 2011 to 2018
- Comparing the wages and working conditions experienced by migrants provides important insights into migrant integration across society more broadly
 - The common benchmark is to compare the experience of migrants to those of non-migrants in society (Amo-Aygei, 2020)

Migration Context: Immigration to Ireland 2000-2019



Labour Market Context: Ireland's Economy 1995-2019



Source: Figures for GNI* were taken from PxStat Table N1925. Figures for employment rates were taken from PxStat Table QLF18.

Notes: GNI* is [Modified Gross National Income at Constant Market Prices \(chain linked annually and referenced to year 2018\)](#).

Data and Methods, Data (1)

- DATA:

- Office of the Revenue Commissioners P35L earnings datafile linked to 2011-2018 Labour Force Survey
- Avoid issues of self-reported and missing earnings information in other datasets
- Large sample allows us to distinguish many migrant groups

- SAMPLE:

- Employees only, in formal labour market (no informal work)
- Those working between 7 and 60 hours per week*
- Those aged 25-64 (to minimise students/focus on those whose main activity is employment)
- Some other exclusions e.g., very high/low earners

Data and Methods, Wages (2)

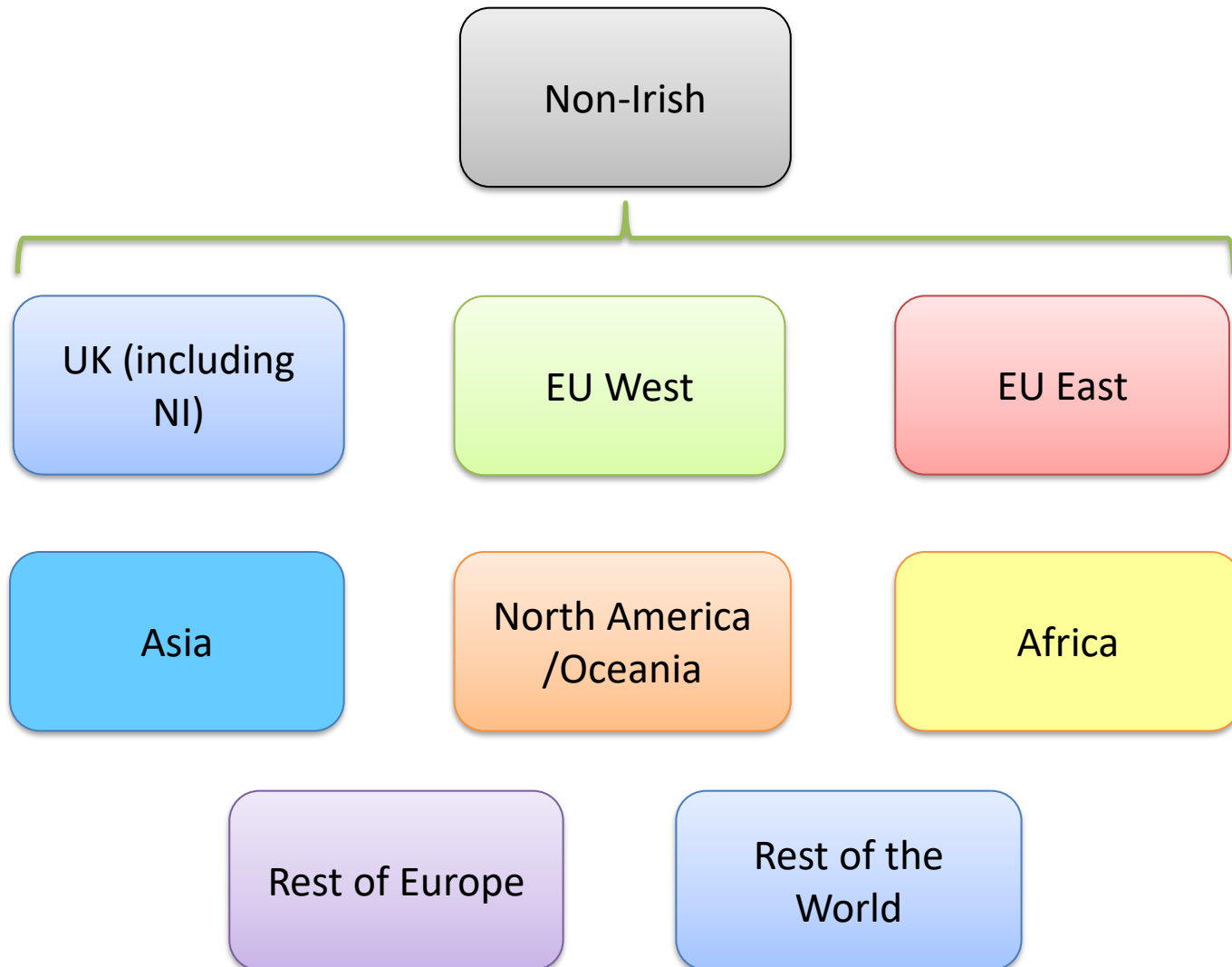
- MEASURING WAGES:

- Mean hourly wages
- **MIGRANT WAGE GAP**: the difference in average hourly wages between all non-migrant workers and all migrant workers who are engaged in paid employment
- When modelled we use **logged hourly wages***

- METHODS:

- Models used to explore how far the **migrant wage gap** can be explained by different characteristics between migrants and Irish nationals that are important drivers of wages :
 - For example, their education, type of job or sector of employment
- Weighted ordinary least squares regression

Non-Irish nationals - groups



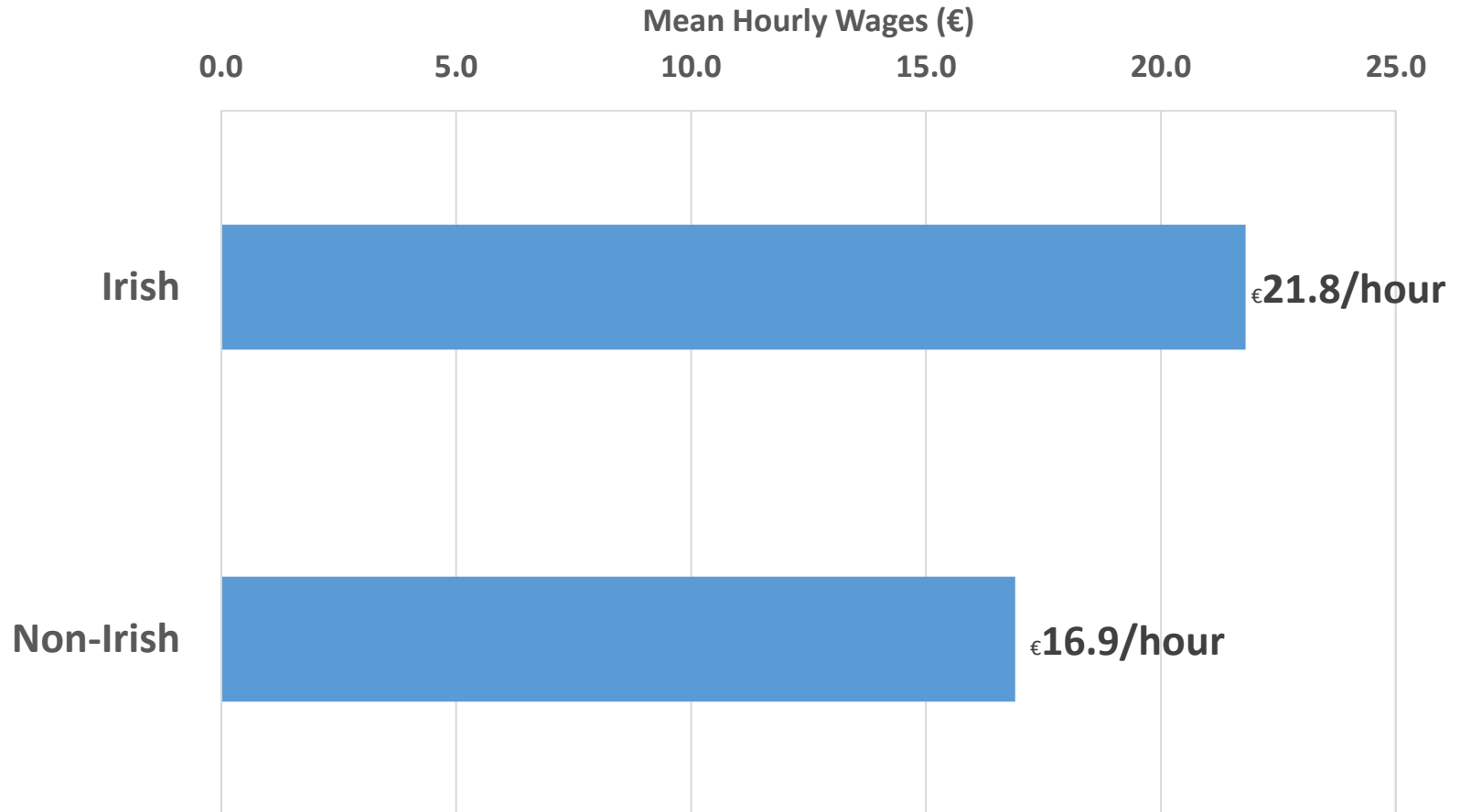
Working Conditions of Migrants in Ireland

Working conditions of non-Irish nationals

- On the whole, compared to Irish nationals, non-Irish nationals have less advantageous working conditions:
 - Less likely to be in professional/managerial occupations, to have supervisory responsibilities, or to be members of a trade union/staff association
 - Especially disadvantaged: nationals from the **EU East, Africa and the Rest of the World**
- However, some groups faring better than Irish nationals
 - For example, nationals from **EU West, North America, Australia and Oceania, Asia, and the UK** are more likely to be in professional/managerial occupations

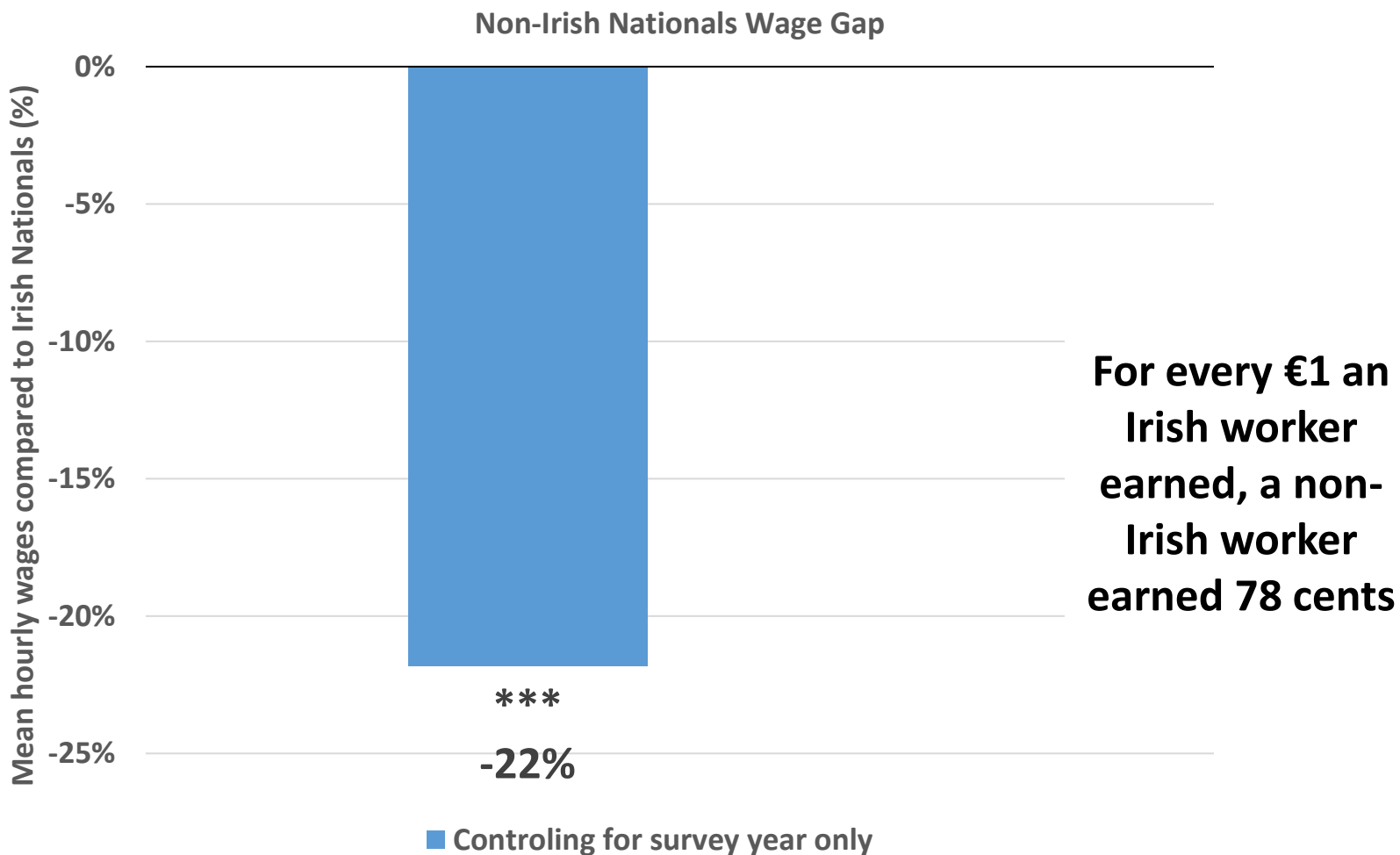
The 'Migrant Wage Gap' in Ireland

Average hourly earnings of Irish and Non-Irish employees (2011-2018)



Notes: LFSEEADS 2011-18; weighted results

1. Irish and Non-Irish 'migrant wage gap'



What explains the wage gap? Factors considered

Social and Demographic characteristics

GENDER

AGE

EDUCATION

REGION

MARITAL STATUS

Job Characteristics

UNION
MEMBERSHIP

JOB TENURE

TEMP/PERM
CONTRACT

FULL- OR PART-
TIME

SHIFT WORKER

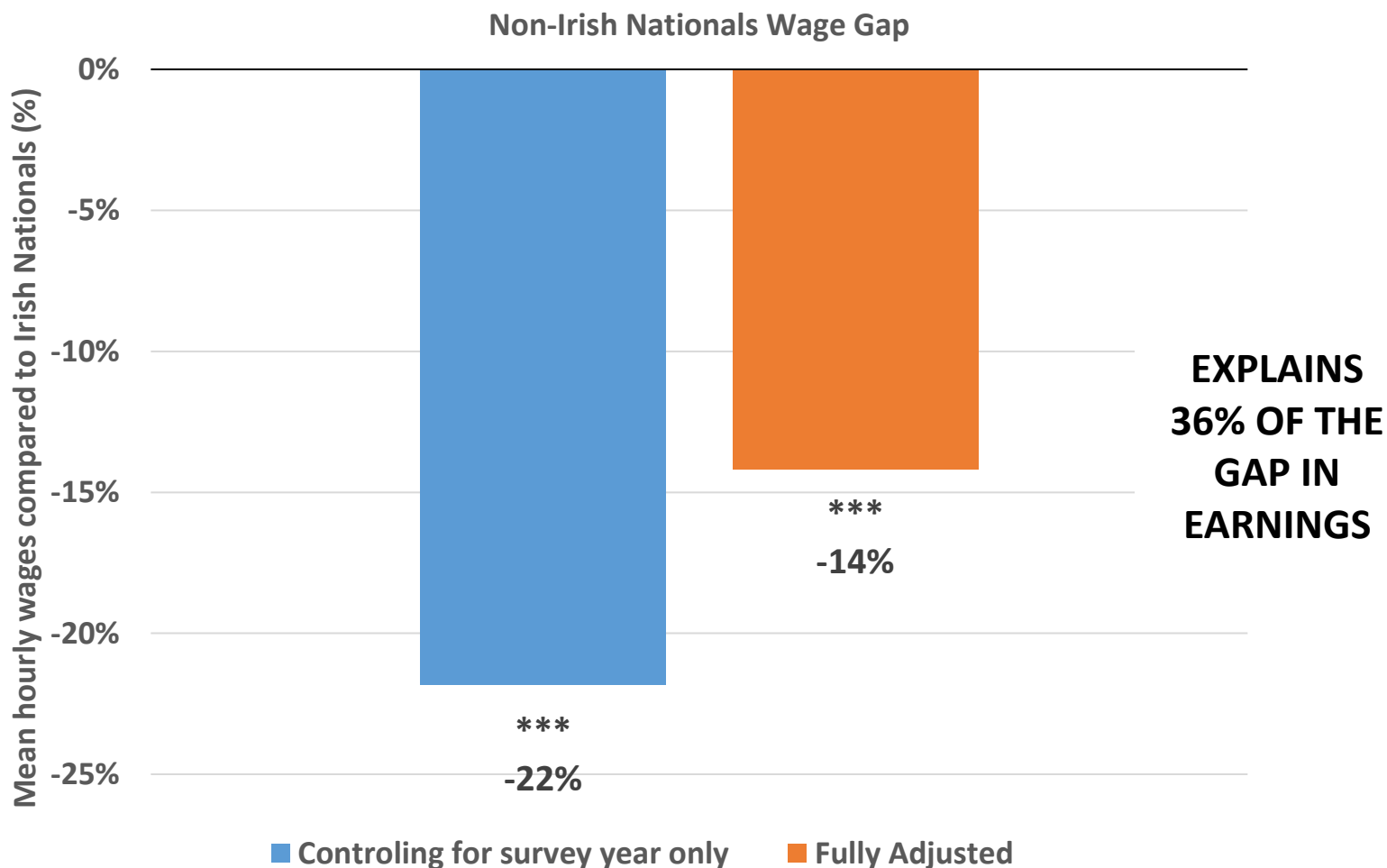
SUPERVISORY
RESPONSIBILITIES

Firm Characteristics

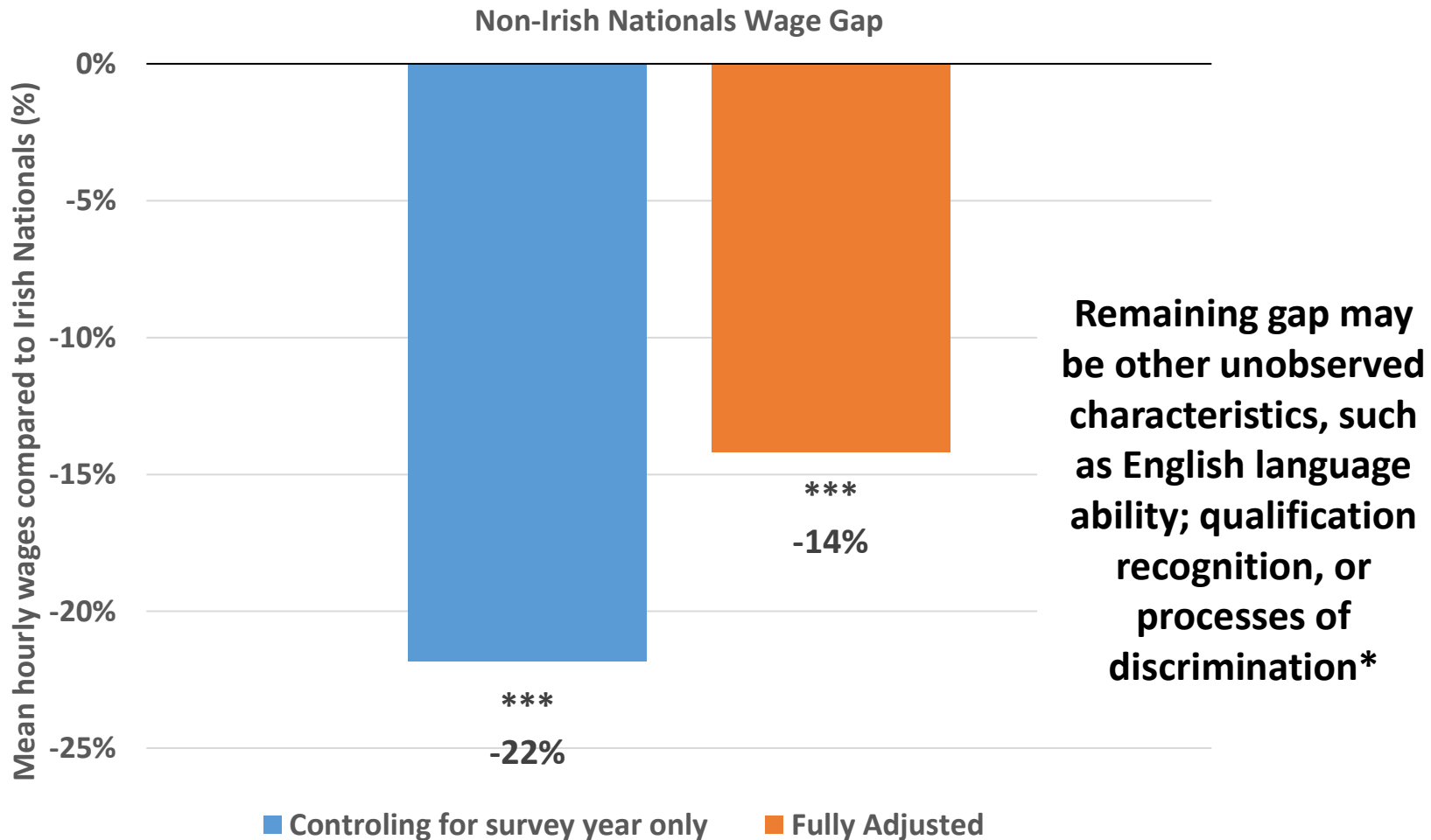
PUBLIC/PRIVATE
SECTOR

FIRM SIZE

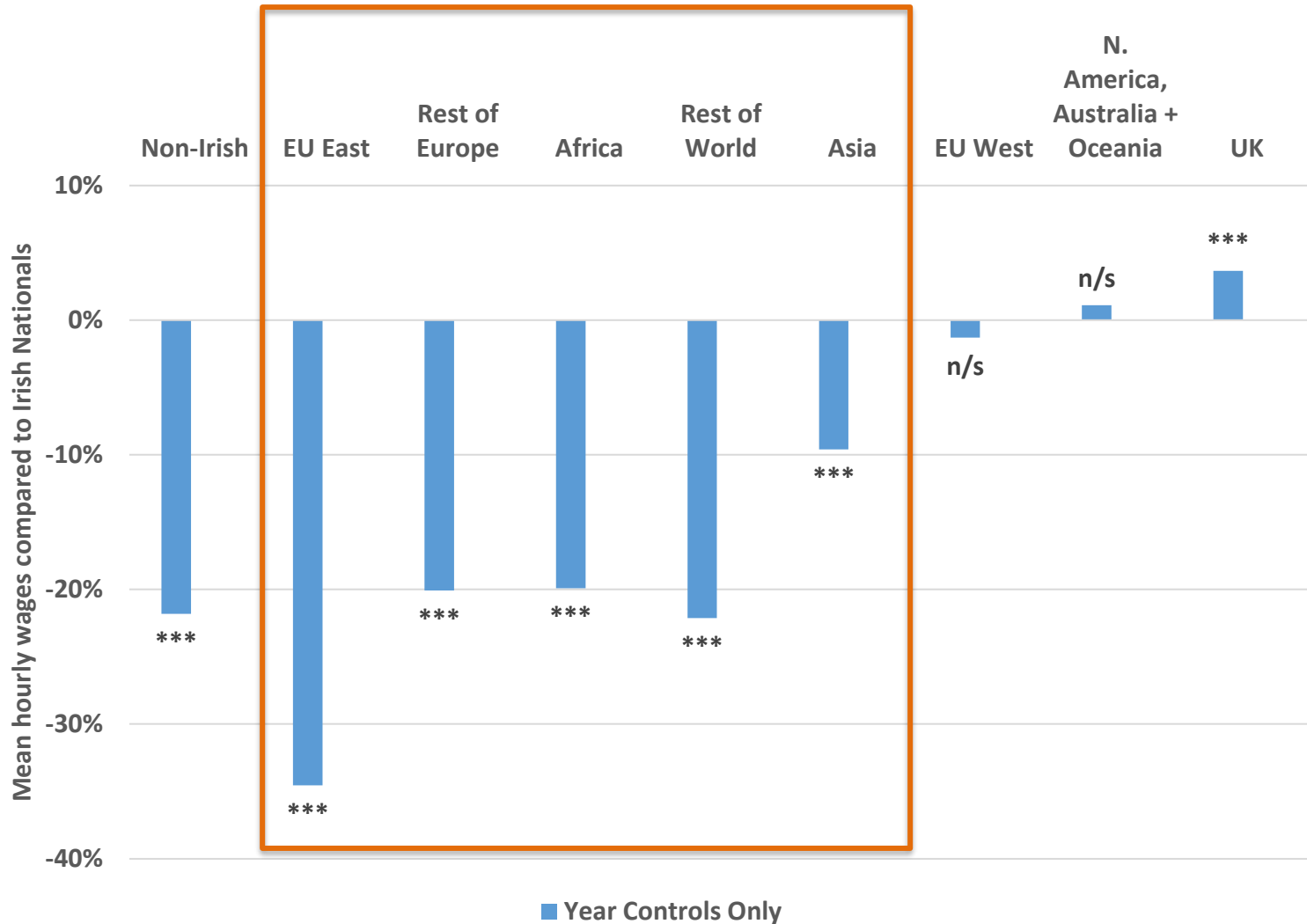
2. Irish and Non-Irish 'migrant wage gap'



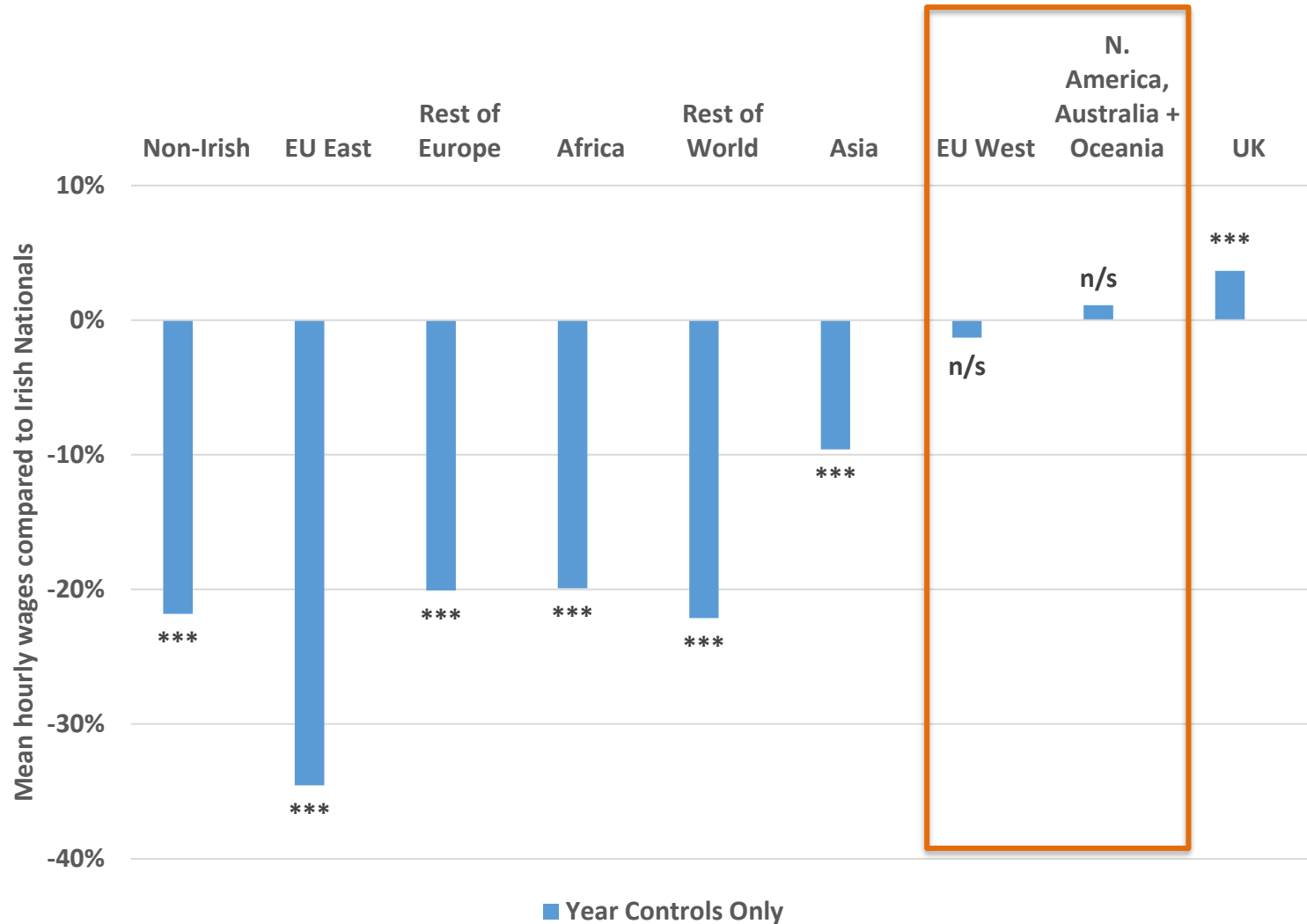
3. Irish and Non-Irish 'migrant wage gap'



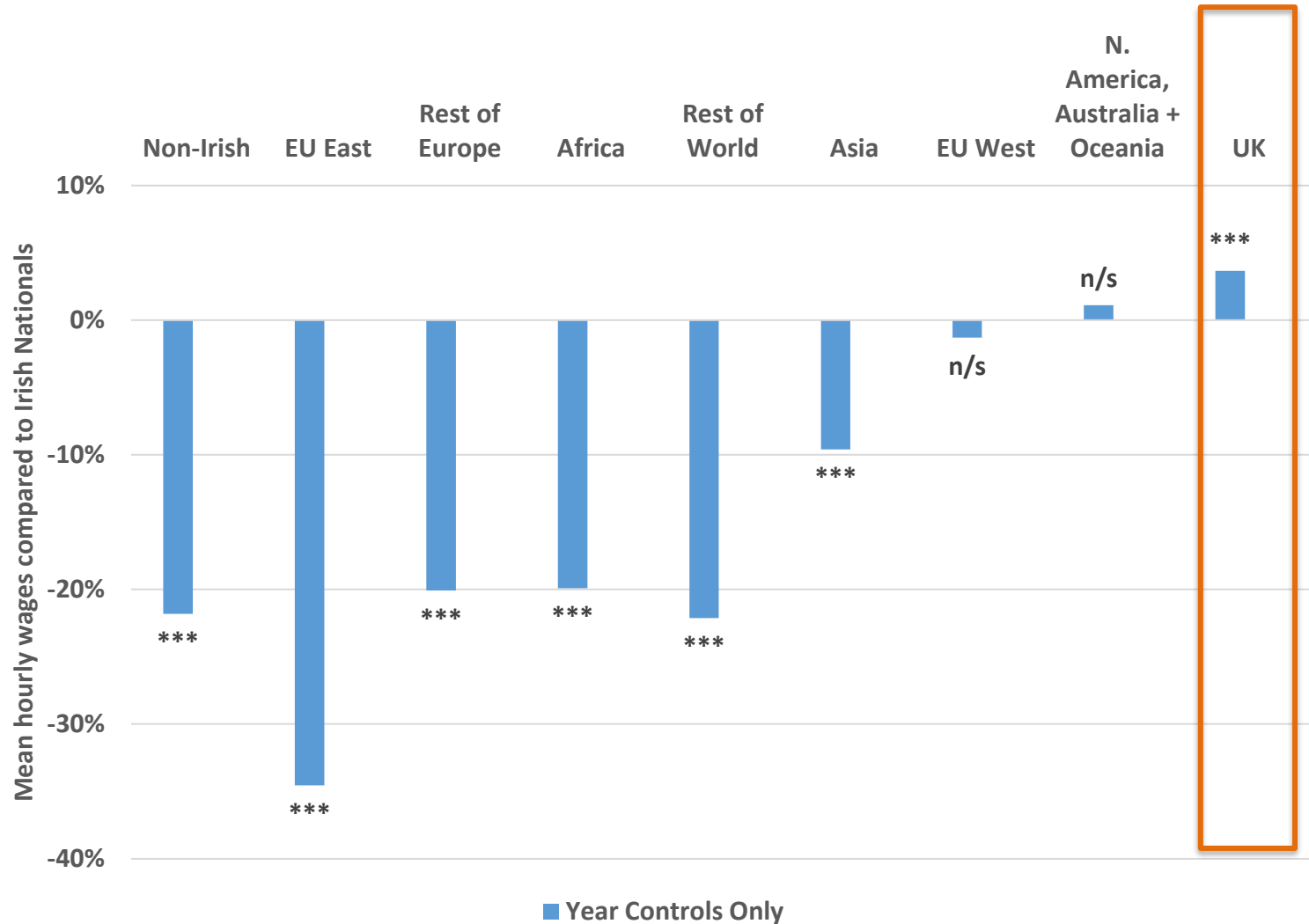
1. Group Differences: large migrant wage gap



2. Group Differences: no migrant wage penalty

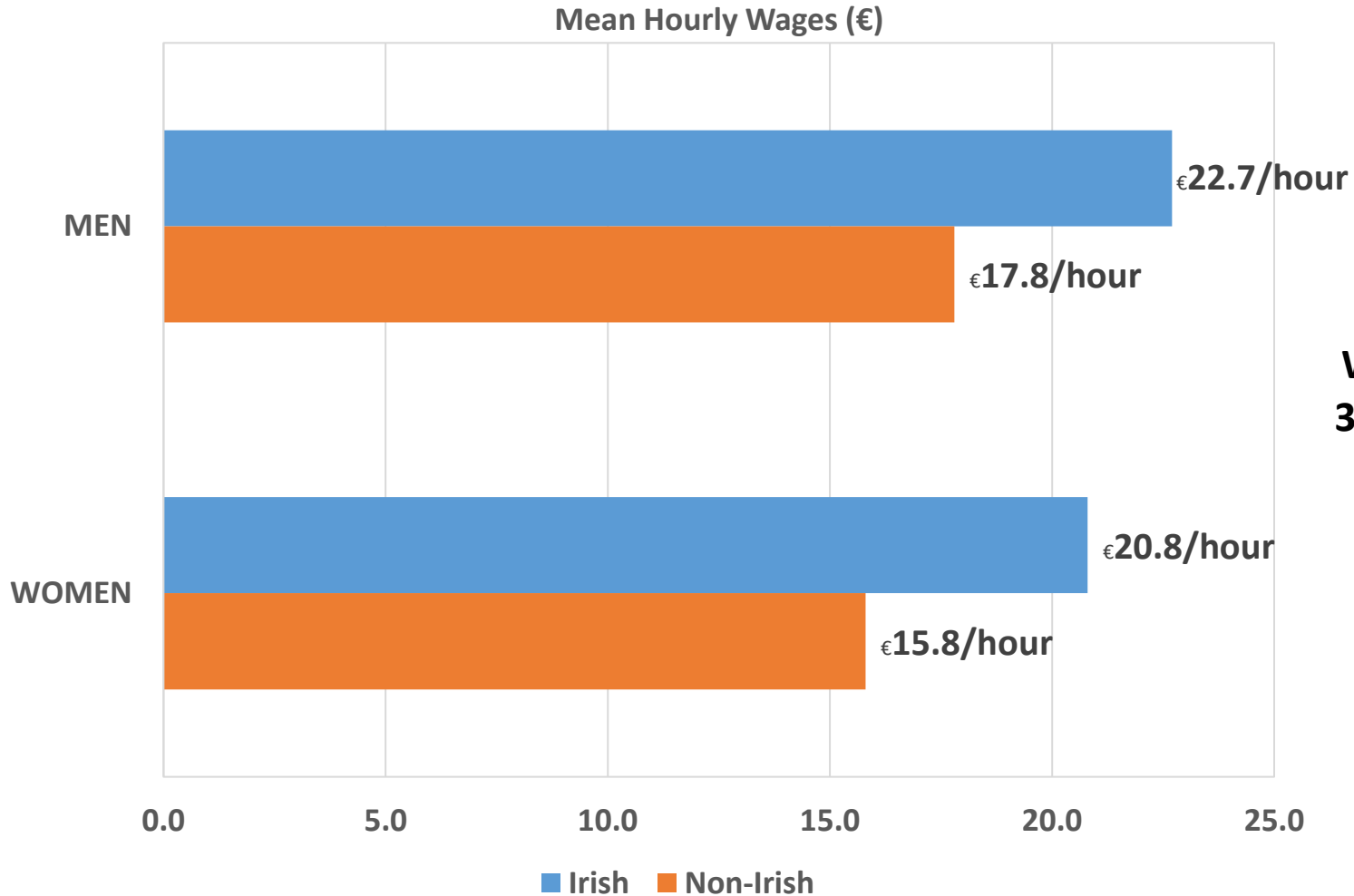


3. Group Differences: migrant wage premium



The migrant wage gap among men and women in Ireland

The mean hourly wages among Irish and non-Irish men and women in Ireland: a double disadvantage



**MIGRANT
WOMEN EARN
30% LESS THAN
IRISH MEN**

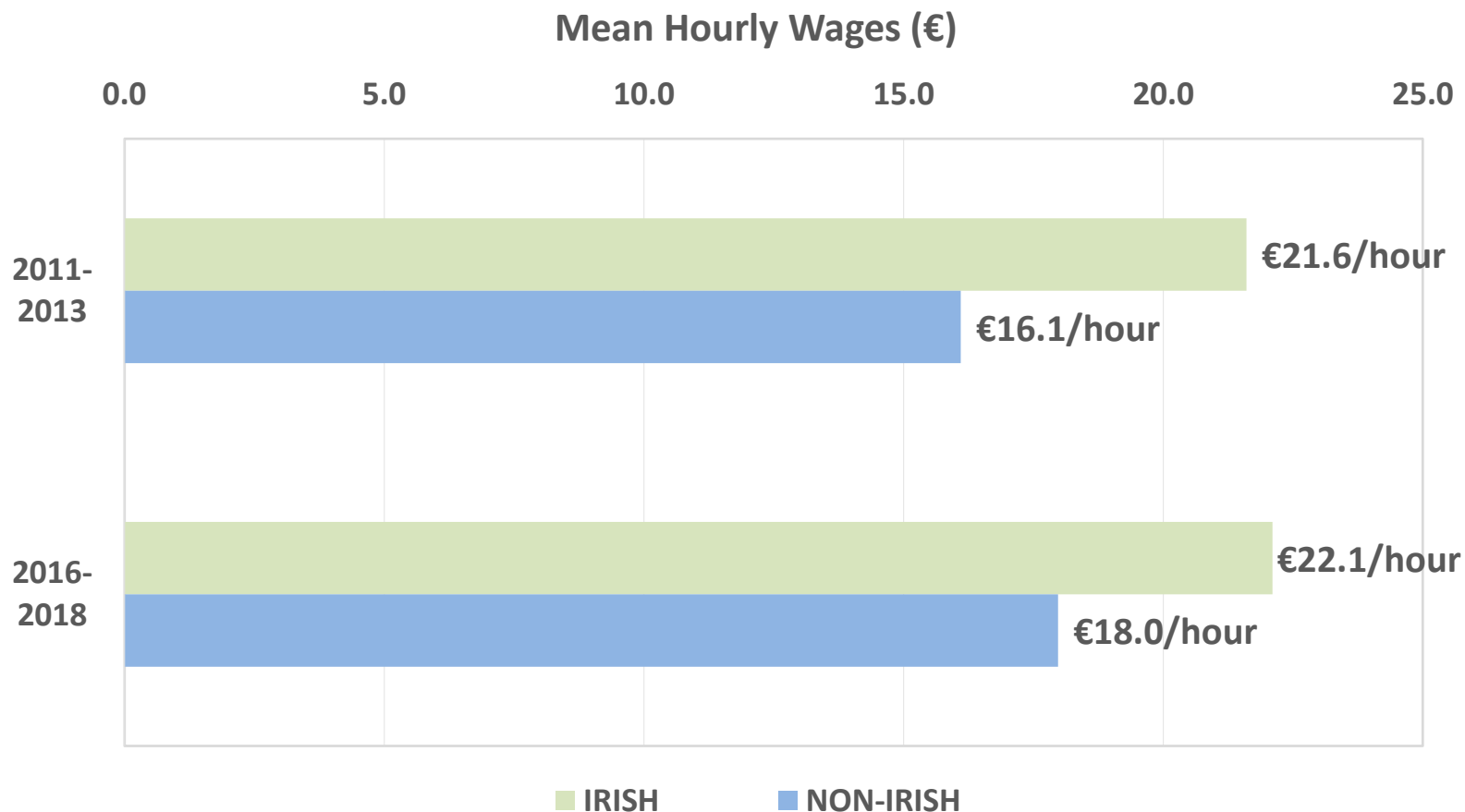
Notes: LFSEEADS 2011-18; weighted results

Explaining the migrant wage gap among men and women

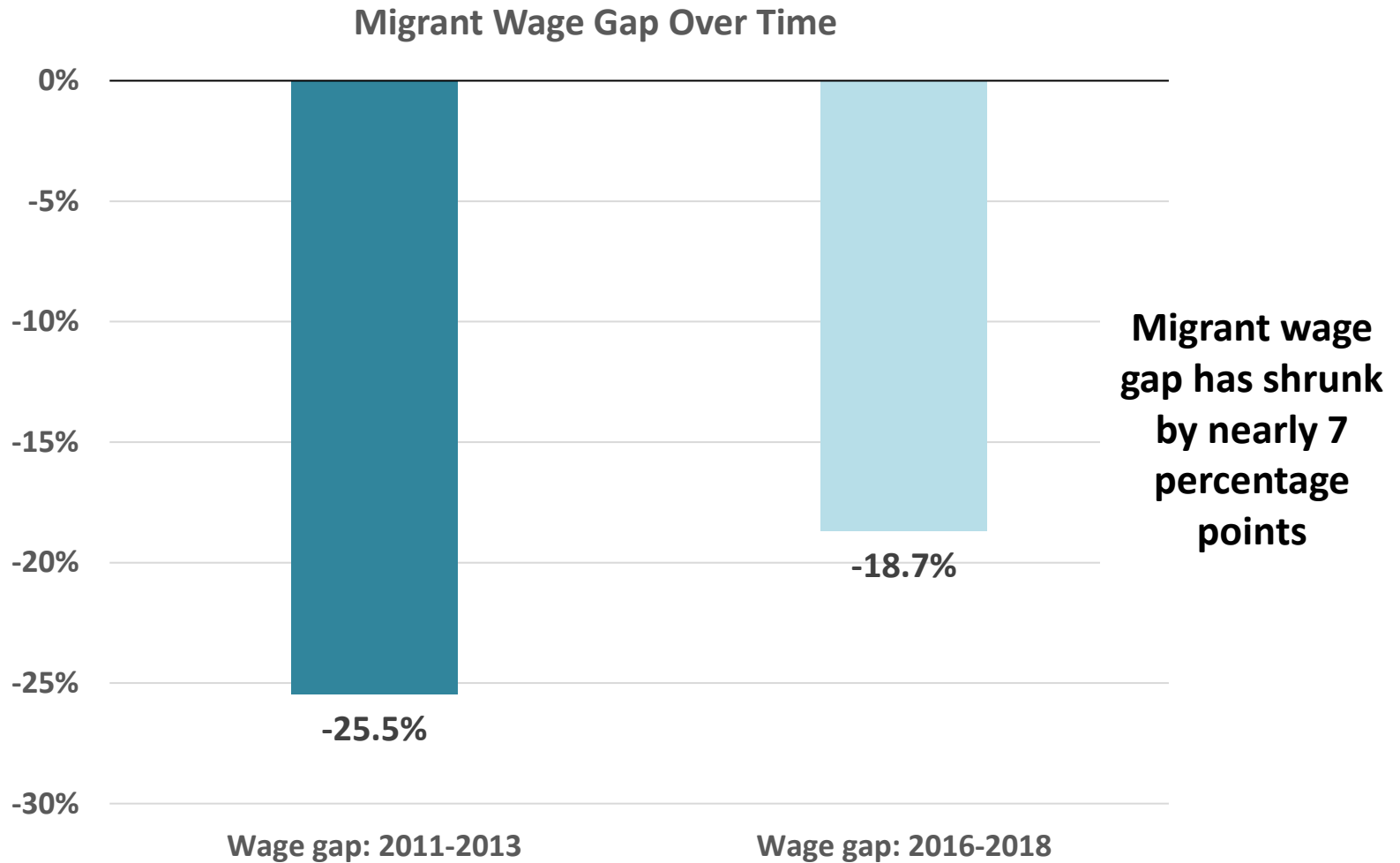
- The unadjusted migrant wage gap is similar for non-Irish men (who earn 22% less *than Irish men*) and non-Irish women (who earn 24% less *than Irish women*)
 - Although, as shown, non-Irish women have the lowest mean hourly wages of all groups
- Some migrant women have a larger unadjusted wage gaps than their male counterparts e.g.,
 - African women (-24% earnings gap) compared to African men (-18% gap)
 - Women from ‘the Rest of Europe’ (-26% gap) compared men from ‘the Rest of Europe’ (-16% gap)
- Women from North America, Australia and Oceania earn -7% less than Irish women while men from North America, Australia and Oceania see an earnings premium of +12 per cent compared to Irish men

The migrant wage gap over time in Ireland

The unadjusted migrant wage gap in 2011-13 and 2016-18



Change in the unadjusted migrant wage gap over time



Explaining the changes in the migrant wage gap over time

- Some explained by changes in the social, demographic, job and firm characteristics of Irish and non-Irish nationals:
 - However, a 2.5 percentage points reduction over time remains unexplained
- Most groups - though not all - saw their migrant wage gaps shrink over time:
 - **Eastern Europeans** nationals saw their unadjusted wage gap shrink by 7 percentage points
 - However, mostly explained by changes in their characteristics
- For some groups, e.g., **Asian nationals**, there was no significant change over time
- Unexplained reduction in migrant wage gap
 - E.g., changes in unmeasured characteristics of migrants (e.g. English language ability), or different migrants arriving (e.g., critical skill workers)

Summary

What explains the remaining migrant wage gap?

- English language ability
 - Unmeasured in the available data on wages
 - From previous research: lower ability = lower wages
- Qualification recognition
 - Migrant qualifications, especially outside EU, may not be equally recognised in Ireland, leading to lower returns for qualifications compared to Irish nationals
- Discrimination
 - Non-Irish or ethnic minorities may be forced to accept a lower paying jobs
 - In-work discrimination may mean non-Irish passed over for promotion, allocated lower-paying roles, or even that they receive lower wages for the same job (direct wage discrimination)

What explains the remaining migrant wage gap?

- Motivations for migration
 - Not all non-Irish nationals come for work e.g. student migration, join family, learn English
 - Those that do may not be seeking maximum salary
- Social networks
 - Migrants may lack relevant social networks to inform them about job openings, higher paying jobs, or how best to gain skills and experience i.e., information on how the system works
 - Many organisations fail to recruit non-Irish nationals because they receive no applications from these groups (OECD)

Some Implications for Policy

- **Trade Union membership** – wage premium for TU members and v low membership of TU by migrants –TU membership may offer benefits
- **Qualification recognition**
 - May need to improve qualification recognition by employers
 - Raise awareness of QQI system
- **Discrimination** – underlines need for effective anti-racism strategy (in progress), including monitoring recruitment practices
- Prioritise **job quality** in migrant integration policy
- Consideration to **migrant pay gap** reporting cf. gender

Key Messages

- Non-Irish nationals earned, on average, 22% less per hour than Irish nationals between 2011-2018 – though variation between groups.
- Part of the migrant wage gap can be explained by diffs in characteristics of non-Irish nationals, and the jobs they do... but a penalty remains
- Migrant women face a ‘double disadvantage’ in the labour market
- The wage gap for non-Irish shrunk over the period: from 25.5% in 2011–2013 to 18.7% in 2016–2018

Thanks for listening! Comments welcome

Want to read more:

<https://www.esri.ie/publications/wages-and-working-conditions-of-non-irish-nationals-in-ireland>

Other research programme publications:

<https://www.esri.ie/current-research/integration-and-equality-research-programme>

Coming soon...

Migrant Integration in Ireland and Northern Ireland (Feb 2023, tbc)

Monitoring Report on Integration (March 2023, tbc)