

North / South Ministerial Council
An Chomhairle Aireachta Thuaidh / Theas
Study of Obstacles to Mobility - Appendices

November 2001



**North/South Ministerial Council
An Chomhairle Aireachta Thuaidh/Theas**

Study of Obstacles to Mobility

APPENDICES

November 2001

Note

The purpose of this report is to improve awareness of, and stimulate debate on, obstacles to mobility of persons, in either direction, between North and South on the island of Ireland.

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Care has been taken to establish that the information provided in this report is accurate at the time of publication and that the sources and authors of third-party information and reports are mentioned and acknowledged.

The work on this report was carried out during the period January to June 2001.

The consultancy team is grateful to the Steering Group and to officials from the North/South Ministerial Council for their support and advice throughout the duration of this study. They also wish to express their appreciation to all those who provided input to the study, including particularly those companies and individuals who agreed to act as case studies.

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Appendix A

Report on Scoping Study Workshop

North/South Ministerial Council
An Chomhairle Aireachta Thuaidh/Theas

Study of Obstacles to Mobility:
Scoping Workshop

Hilton Hotel, Belfast
Friday 9th February 2001



Scoping Workshop -List of Attendees

Name of Organisation	Official
Cavan Partnership	Orla Brady
CAWT Resource Unit	Frances McReynolds
Centre for Cross Border Studies	Nuala Sheerin,
D/Agriculture and Rural Development	Andy Pollak
D/HFETE	Danny McNeill
D/HSSPS	Ian Walters
Department of the Environment (NI)	Don Hill
East Border Regional Office	Alex Boyle
EURES	Pamela Arthurs
EURES Cross-border Partnership	Ambrose McLernon
IBEC/CBI	Tom Gillen
ICBAN	William Poole
ICTU	Geoff MacEnroe
InterTradeIreland	David Clarke
LACE – TAP	Eugene McGlone
NIACAB	Patricia McKeown
NICS Occupational Health Service	Inez McCormack
Faculty of Occupational Medicine, RCSI	Liam Nellis, Chief Executive
North West Region Cross Border Group	Carol Gilliland
Special EU Programmes Body	Derek Alcorn
TRASNA	Dr Ken Adley
	Dr Arthur Eakins
	Eamon Molloy
	John McKinney
	Kathleen Maguire

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Scoping Workshop- List of Attendees *Cont.*

Name of Organisation	Official
Waterways Ireland	Karl Unger
OFMDFM	Hugh Logue Graham Gudgin
Dept of the Taoiseach Dept of Foreign Affairs Dept of Finance Dept of Social, Community & Family Affairs	Walter Kirwan (co-chair) Helena Nolan Dahdouh Tony Jordan Gerry Mangan
NSMC Secretariat	Dick Mackenzie (co-chair) Tim O'Connor Derek Wheeler Pat Donaghy Gavan G. O'Leary
Pricewaterhouse Coopers	Graham Cash Philip McDonagh Stephanie Morrow
Indecon	Alan Gray William Holmes-Batt

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Structure of Discussion

Facilitated discussion of:-

- ★evidence of obstacles by type of individual
- ★evidence of obstacles by sector
- ★potential solutions and implementation issues

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Perceived Obstacles by Type of Individual Key Points Recorded

- Difficulties and cost of bank transactions
- Mobile phones - no “all Ireland” tariff and cost of cross-border calls
- Access to hospital services - lack of awareness about eligibility and issues around cost
- “Chill factor” - fear on part of South residents getting caught up in random violence
- Import duty on cars (customs and excise procedures)
- Perceptions around difficulty moving with school age children and access to compatible education

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Perceived Obstacles by Type of Individual Key Points Recorded

- Transferability of specialist training for doctors impacts on North South mobility
- For the unemployed and job seekers accessing information on vacancies, and understanding Terms and Conditions of advertised posts is a key issue
- Issue around social security e.g. eligibility for social security if made redundant from a post based in the jurisdiction other than an individuals place of residence.
- Significant demand for social security advice in border areas, and clear need for information sharing

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Perceived Obstacles by Type of Individual Key Points Recorded

- For commuters, transport infrastructure including quality of cross-border roads
- Children educated close to their parents place of work which may be across the border from where they live, may not be eligible for transport
- Eligibility for childcare benefits, including new family tax credit
- There are a number of cross-border childcare projects, which could offer valuable lessons to the study
- Cost of housing is a key issue - important in the decision making process about short term 1-2 year secondments. One solution could be a facilitated rental sector for low income persons perhaps involving housing associations

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Perceived Obstacles by Type of Individual Key Points Recorded

- Awareness for parents around comparative education re: Leaving Certificate and GCSE system
- Shortage of labour in the South has added impetus to the process to harmonise or at least recognise qualifications from the North
- Employers have some responsibility in supporting individuals to make a move by ensuring they are aware of issues around tax, access to services etc.
- Important issue of bank costs.
- Pension portability/ flexibility

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Perceived Obstacles by Type of Individual Key Points Recorded

- Accessing car insurance involves an additional premium
- The cross-border health group (CAWT) noted key issues with respect to mutual recognition of qualifications in health and social care and the need for bridging modules
- Frontier worker is key term used for cross-border workers
- Lot of experience in Derry regarding cross-border working
- Employers are starting to offer packages to deal with cross-border differences
- Access to local authority housing - how do you get on a list ?

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Perceived Obstacles by Sector Key Points Recorded

- Construction sector - withholding tax
- Nationality requirements which may be invoked for public service posts
- View that sectoral issues can be got around if the demand for labour is high e.g. ICT/software and construction where mutual recognition is more advanced
- Registration required for Southern architects in the North
- FAS has more flexibility than DHFETE to recruit in external jurisdictions
- Many of the obstacles are psychological - also lack of relationships between organisations and professional bodies and awareness about opportunities from collaboration

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Perceived Obstacles by Sector Key Points Recorded

- Public sector projects regarding joint delivery of services in border areas should provide valuable lessons
- Reskilling of individuals from sectors experiencing downturn should be transferable North and South

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Potential Solutions and Implementation Issues

- Solutions were touched on throughout the other two sessions
- In the case of banking the first stage is to “get the facts in front of us” regarding the scale of the issues, then lobby for change - will not be solved at the level of the customer. Some progress at EU level.
- We could identify solutions from other European cross-border regions
- Should there be “cross-border” proofing as per new TSN Equality
- The optimum delivery of services in border areas using cross-border labour/co-operation should be the subject of a separate study
- Some solutions will require a UK dimension

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Appendix B

Copy of public advertisement, Baseline Information Return and Survey of Banks

North/South Ministerial Council
An Chomhairle Aireachta Thuaidh/Theas

Study of Obstacles to Mobility Between
The Two Parts of the Island of Ireland

The North/South Ministerial Council (NSMC) have appointed consultants, PricewaterhouseCoopers and Indecon International Economic Consultants to undertake a study of obstacles to mobility of persons between the two parts of the Island of Ireland. This relates to obstacles to persons living or working in one jurisdiction and moving or seeking to move to live, work or study in the other jurisdiction.

The consultants would like to hear from you if you have views and opinions on the obstacles to mobility between the two parts of the Island of Ireland.

In the first instance, please contact the consultants by telephone, letter, fax or email as indicated below. You will, in turn, receive a "return form" designed to collect your views and opinions.

As the timescale for the study is demanding please contact the consultants by 26 February 2001.

Contact details:

Please contact:

Susan Kirk
PricewaterhouseCoopers
Fanum House
108 Great Victoria Street
BELFAST
BT2 7AX

Email: susan.e.kirk@uk.pwcglobal.com
Tel: 0(044)2890 891526 Tel: 0(0353) 1 6777144
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Wellington Quay
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Ireland

Email: charold@indecon.ie
Fax: 0(0353) 1 6777417

STUDY OF OBSTACLES TO MOBILITY BETWEEN THE TWO PARTS OF THE ISLAND OF IRELAND: BASELINE INFORMATION RETURN

The North/South Ministerial Council (NSMC) have appointed PricewaterhouseCoopers and Indecon International Economic Consultants to undertake a study of obstacles to mobility between the two parts of the Island of Ireland.

The consultants are required to identify the obstacles to mobility of individuals, in either direction, between North and South on the Island of Ireland. Obstacles are to be considered with respect to individuals who are working, the self-employed, students, unemployed, and others who are not economically active e.g. the retired.

As part of this study it is important to obtain the views of a range of public and private sector organisations and individuals in both parts of the Island of Ireland. We would therefore be very grateful if you could take a few moments to complete this confidential Base Information Return and return it to us at your earliest convenience.

Question 1: *Please indicate your assessment of the extent to which, based on your organisation's or your own personal experience, the following factors represent or do not represent important obstacles to mobility of persons between the two parts of the Island of Ireland. (Please tick one box in each row).*

RATING IN TERMS OF IMPORTANCE AS BARRIER TO MOBILITY

	Very Important	Fairly Important	Not Very Important	Not at all Important	Don't Know
Direct Taxes Including Income Tax	<input type="checkbox"/>				
Indirect Taxes Including VAT Tax	<input type="checkbox"/>				
Vehicle Importation And Registration	<input type="checkbox"/>				
Social Security	<input type="checkbox"/>				
Pensions	<input type="checkbox"/>				
Health	<input type="checkbox"/>				
Education	<input type="checkbox"/>				
Training	<input type="checkbox"/>				
Recognition Of Qualifications	<input type="checkbox"/>				
Employment Law	<input type="checkbox"/>				
Housing	<input type="checkbox"/>				
Childcare	<input type="checkbox"/>				
Telecommunications	<input type="checkbox"/>				
Banking	<input type="checkbox"/>				
Insurance	<input type="checkbox"/>				
Transport Services; and Other Regulatory/Administrative Barriers (Please Specify)	<input type="checkbox"/>				

Question 2: *For those factors which you have marked as "very important" or "fairly important" in Question 1 can you:-*

- (a) provide specific examples or illustrations from your direct experience or from your knowledge of the experience of others;
- (b) indicate potential solutions to the problems or barriers; and
- (c) identify who might be responsible for implementation of potential solution.

(A) EXAMPLE OR ILLUSTRATION

(B) POTENTIAL SOLUTIONS

(C) INDICATIVE RESPONSIBILITY

Please use additional pages if required.

Thank you for your assistance. Your response will be treated in confidence. The **aggregation** of responses will provide an overview of the obstacles experienced and form the basis for consideration of the recommendations to be developed. However to enable accurate interpretation of the information supplied by you it would be helpful if you could complete the following details:-

I am responding in a personal capacity (i.e. as an individual)

I am responding on behalf of an organisation (employer/professional body)

I live in the North of Ireland County_____

I live in the South of Ireland County_____

Please return in the pre-paid envelope attached by **21st March 2001**. You may also reply by fax, to 01-6777417. If you have any queries regarding this questionnaire, please contact William Holmes-Batt, at 01-6777144.

Survey of Banking Issues

(1) Requirements when opening an account.

What are the requirements that need to be satisfied when opening an account for the following categories of individual:

- an established resident in the South
- a newly arrived resident in the South
- a cross-border employee who is employed in the South but who is resident in the North

(2) Costs of Transactions

Please specify the costs of the various transactions set out in the two tables below. Table 1 is concerned with information relating to cross-border transactions, while Table 2 is concerned with transactions within the same jurisdiction. For each table we have asked for details on the cost of transactions within the same banking group and for all others.

Table 1 Cross-Border Transactions

<i>Transaction Type</i>	<i>Costs of Transactions within same Bank Network</i>	<i>Costs for all others</i>
Bank Draft		
Electronic transfers		
Bank Giro		
Cheque Transactions		
Currency Conversion		
ATM Fees		

Table 2 Transactions within the same jurisdiction

<i>Transaction Type</i>	<i>Costs of Transactions within same Bank Network</i>	<i>Costs for all others</i>
Bank Draft		
Electronic transfers		
Bank Giro		
Cheque Transactions		
Currency Conversion		
ATM Fees		

(3) Timeliness

For the transactions set out above, where applicable, how long does it take to transfer funds from an account in Dublin to an account in Belfast if:

- the accounts are in the same bank network, and
- for all other accounts.

Appendix C

Company Case Studies

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The company and individual case studies have been prepared solely for the purpose of this study. They should not be used for any other purpose. The case studies reflect the position as represented by the companies and individuals at the time of interview. No independent appraisal or evaluation of these views and perceptions has been carried out. Irrespective of this, views and perceptions are an important issue in driving and influencing mobility between the two jurisdictions.

Company 1

Background

- Company 1 operates in the manufacturing sector and employs over 700 staff on both sides of the border.
- The Southern plant employs mostly staff from the South whereas the plant in the North has a greater proportion of cross-border workers.
- The company sees itself as very much “at the coal face” of having to deal with the day to day “hassles” of employing “frontier workers” and operating two plants either side of the border, which entails essentially “two sets of management and operating practices”.

Obstacles relating to transfer/relocation of staff from one jurisdiction to another

- Management travel regularly between the two plants. They have had cause to relocate staff at management level (e.g. directors) which is usually for fixed periods and they usually stay on the Northern payroll. However, they have had cause to relocate a certain number of production staff who have sometimes transferred payroll.

The obstacles are greater moving from North to South. Obstacles encountered include:

- Health care differentials are a big factor. Only company directors either side of the border are on private health schemes and so the issue arises mainly with production and maintenance staff. The view expressed was that if you earn more than £80 a week in the South, you do not qualify for a medical card and have to pay for every doctor’s visit and higher rates for prescriptions. If you work in the North, you are eligible for a medical card which entitles you to free GP visits and cheaper prescriptions.
- Currency differentials mean that it is preferable at the moment to get paid in sterling and therefore to work in the North.
- There is a perception that direct tax is higher in the South. However, this has evened out in recent years. Indirect tax remains higher in the South with petrol being the only commodity which is cheaper.
- The potential loss of access to the Working Family Tax Credit (WFTC) in the North and the better maternity benefits have also proved an obstacle to mobility from North to South.
- Statutory notice entitlements are also less in the South relative to the North (8 vs 12 weeks) and redundancy entitlements are perceived to be better in the North. Specifically, there is also a perception that if you have longer service you are better off in the North if made redundant.
- Car insurance/purchase/motor tax etc are all higher in the South.

Some barriers work both ways with respect to transferring/seconding staff:

- Public transport – this is very poor in both directions and represents a real barrier particularly for junior/less well-paid staff who do not have access to a car.
- Transfer of occupational pensions – employees moving to/from either jurisdiction have to move out of one scheme and register on the scheme applicable in the other jurisdiction.

Obstacles evident from South to North:

- Petrol is a lot cheaper in the South.

However, the main obstacles which influence individuals’ decision-making are health, taxation, transport and salary differentials.

Although differences exist in the areas of employment law and entitlements, these are not generally part of the decision-making process because workers are often not aware of them.

Ongoing problems associated with relocated staff

- Car use – employees’ cars from another jurisdiction can get impounded and employees have to endure the personal cost of having to re-register and pay an increased premium.
- From an employer’s perspective, getting up to speed and remaining updated on the industrial relations machinery in the North and in the South is a big challenge. The company has to manage two different sets of rules and the tribunal process is completely different.
- Banking – employees incur charges when they are paid in one jurisdiction and living in the other. This is particularly difficult when large sums of money are involved, for example when paying mortgages.
- Travel – is not a problem for those employees with their own car. However, public transport is very poor and represents an ongoing problem for those at lower level who do not own a car.
- Pension – according to the company, if you relocate employees you must also transfer their occupational pension which means withdrawing from one scheme and re-registering in the next. Employees therefore lose out on the transfer value. The company administers two different pensions (factory worker/staff pension) both sides of the border i.e. four in total. This leads to four different renewals. Further to this, AVC’s are handled differently in the South resulting in four different rules/handbooks and four Trustee meetings.
- Telecommunications – directors/managers frequently travel across the border. The roaming facility can only be used if you arrange it in advance. The cost of “roaming” is very high resulting in a cross-border call being treated as international. This is also an issue for relocated staff.
- Tax differentials including different tax years create obstacles.
- Currency fluctuations.
- State entitlements in the North are better (WFTC, maternity, notice entitlement, redundancy entitlement).

Obstacles relating to recruitment of staff across the border

- The plant in the South has a limited recruitment catchment and is currently finding it difficult to attract workers from the North due to:
 - perceived healthcare differentials / access to a medical card;
 - perceived taxation differentials which make the North appear a more attractive place to work;
 - salary differentials due to the draw of a sterling pay cheque;
 - access to WFTC, Statutory Sick Pay; Preferential Maternity Benefit (SMP) in the North, which will be further enhanced in the future;
 - child benefit differentials.
- Redundancy rights differentials:
 - 169 days counts as a year in the South/ but it must be a full year in North; and
 - employees are considered better off if they have a long service in the North and are made redundant.
- Recognition of qualifications is not a big issue as the company generally recruit and “train on the job”. At the end of the day there are differences in the content/quality of courses North and South and HR managers get to recognise the different qualifications and they have to make a judgement about relative quality.

- The recruitment process is not really a barrier – the more stringent process in the North is not a real deterrent and the draw of getting paid in sterling and perceived better conditions in the North outweigh any concerns on the recruitment process.

How has the company intervened?

- To deal with training issues, the company introduced a ‘multi-skilling’ training initiative for all staff, which may address some qualifications/previous training differentials on either side of the border.
- The company has not intervened on car use and only directors have company cars which are covered in both jurisdictions.
- The company employs a doctor and a nurse on both sides of the border as well as a mobile screening unit to overcome, in part, access to health care issues in the South. (The company regularly monitors occupational health levels and discovered that health levels are much poorer in the South, as individuals will not pay to go to a doctor or for a prescription).
- The company tries to not get into “the currency debate” – but inevitably they find that they have to listen to arguments from both sides and undertake local negotiations on both sides.
- Transport – the company previously had a regular minibus service. During busy periods, the company sometimes has to hire a minibus to transfer staff to either plant. Otherwise the company tries to organise lifts/car pools.
- The company feels there is nothing they can do on the other issues, particularly the social welfare issues.

Concluding comments

- Practical issues – the Company manages two different sets of contracts for the North and South. Local issues/cost of living/currency fluctuations are all subject to ongoing debate and result in two different sets of local negotiations. The same trade union (TGWU) operates on both sides of the border but cross-border differentials are also hard for the trade union to keep track of.
- The Company believes that workers can take advantage of the fact that they are in a border area. Some look at the cross-border differentials, make comparisons and lobby for equal/better treatment rather than what should be applied in their own jurisdiction. The differences promote fabrication of addresses and encourage individuals to “work the system”.
- The Partnership 2000 Programme for Prosperity and Fairness was a great step forward in promoting equality of treatment in the South.

Company 2

Background

- Company 2 operates in the Manufacturing Sector.

Obstacles relating to transfer/relocation of staff from jurisdiction to another

- Limited transfer/relocation of existing employees/directors across the border.

Obstacles relating to ongoing problems associated with staff recruited from the other jurisdiction.

- Employment Legislation - when a retail outlet was opened in the South, shop staff had to be employed. Due to the differing employment legislation, contracts based on Southern legislation had to be drawn up. All of the retail outlet employees were recruited from the South, so no transferring of staff was involved. Understanding the different employment legislation in the South was a “hassle” e.g. if an employee works on a Sunday they have to get time off in lieu, whereas in the North Sunday working, especially in retail, is counted as a normal shift.
- Registration of company cars - company cars are supplied to managers, some of whom live in the Southern jurisdiction. The cars had to be re-registered with a cost of £600-£800 per car. Also if the car is registered in the South there is no VAT relief on maintenance.
- Employees’ entitlement to social security/ state benefits after redundancy - employees who had been made redundant in the North and lived in the South had a large delay in receiving their entitlements. Communication with the employees has revealed that the employees are now more likely to look for work in the Southern jurisdiction.

How has the company intervened?

- Employment Legislation – the company gathered information from the Chartered Institute of Personnel Development and the Labour Relations Agency.
- Registration of Company Cars – Cars have been sourced in the South, but it is still more expensive than the North.

Company 3

Background

- The company was founded in Dublin and evolved north to take advantage of high calibre IT graduates in the North due to the skills shortage of IT/TC engineers in the South.
- The company is now in the “3rd generation mobile technologies market” and employs over 150 staff in Belfast and Dublin.
- The workforce is very young (average age 29) and highly qualified, and generally mobile.
- Its products are orientated towards a global market.

Obstacles relating to transfer/relocation of staff from jurisdiction to another

- Secondments/short term transfers from North to South are common, reflecting the volume of work in Dublin and the view that Dublin is a great city for young people for a couple of years.
- More permanent transfer/relocations are almost all South to North reflecting the views that the cost of housing/living is cheaper in the North, tax is lower in North, transport hassles of getting to work are less in Belfast than Dublin, and some employees have ties through studies and family/friends in North which bring them back as a more permanent move.
- By and large, there are very few barriers, largely because of the nature of the workforce and the fact that the company has intervened to make secondments/transfers as smooth as possible for staff and resulting in the same or similar terms and conditions of employment North and South.
- Banking – The company pay salaries in whatever currency/jurisdiction the employees want after they transfer or are seconded. Most employees are able to select an option which can ease charging from banks. Most people on secondment/transfer to Dublin get their salary paid in Sterling in North and withdraw cash for living in Dublin. The company pay staff working away from home good daily allowances so they are rarely out of pocket.
- Telecommunications – expensive mobile phone roaming charges reflect the fact that by moving into another jurisdiction you are accessing another providers network. The company considers that a solution will be unlikely as the three operators would need to be involved in the South and one key network in North is owned in France so discussions would have to take place on a very wide basis. At the end of the day they have a right to charge you for entering another jurisdiction/network – it would be the same if you travel across border from France to Germany. All that could be hoped for is some progress on the harmonisation of ‘roaming charges’ and better communication of options and charging regimes.
- Transport – public transport, specifically trains, are unreliable for regular commuters travelling back home to the other jurisdiction.
- Pensions – the company pension scheme can be transferred without too much hassle from North to South if a person moves permanently. Staff seconded to Dublin, who are paid in the North in sterling, contribute as normal.
- In terms of employment legislation and recruitment practice, the company takes the strongest most stringent legislation and applies it North and South with the same rigor. Employment rights such as statutory notice and redundancy differentials do not put people off transferring. The company has no experience of either giving people notice or redundancy.
- The main obstacles the firm has encountered in relocating staff are housing and transport services. Housing, when relocating North to South, is a problem both in terms of access and the cost of short term housing in Dublin. Transport services are an issue, as the train is unreliable, which can be an issue for central training events involving employees from the North and South and for employees commuting.

How has the company intervened?

- Housing - the company have intervened to provide quality rental accommodation for secondees/transfers to Dublin with agreements in place with a number of real estate providers.
- Transport Services- the company has intervened and often provides 'hired transport' to ferry a number of people who regularly travel from Belfast to Dublin and vice versa.
- Childcare - the company provides a support package to encourage women to return to work and provides childcare vouchers in North. The Government in the North has introduced a childcare voucher initiative which does not apply in South. The company has compensated for this in the South by providing extra healthcare cover for additional family members.
- Healthcare – the company provides private healthcare for all employees, North and South.
- Taxation - taxation is compensated for by salary differentials which are regularly reviewed, North and South, on the going market rates in Dublin/Belfast. Staff in Dublin are paid substantially more, but by and large they are probably not better off.

Ongoing problems associated with relocated staff or staff recruited from the other jurisdiction

- The company operates in a dynamic and fast moving telecommunications environment with no real problems recruiting individuals from one jurisdiction to work in the other. Their workforce is generally young and mobile.
- At recruitment stage consideration of the differentials in qualifications is an issue. The Diploma type qualifications in South are generally of a lower attainment level/quality than the MSC/conversion courses in North.

How has the company intervened?

- Recognition of Qualifications - all staff North and South are put through an MSC in Telecommunications (10 module programme) for which the Company pays a Trainer to come over from the UK on a regular basis.

Concluding comment

- The company offers so much more than the statutory obligations of an employer which can be offered fairly equally North and South. The company believes this is what it takes to attract and retain high quality IT/TC graduates in a fast moving and competitive market and they will continue to develop further personnel policies in this direction. Key actions for Government from their perspective are the harmonisation of qualifications and transport.

Company 4

Background

- The company operates in the construction sector.
- It employs over 1000 staff and operates both North and South of the border.

Obstacles relating to transfer/relocation of staff from one jurisdiction to another

- There is normally limited transfer/relocation of existing employees/directors across the border.
- However recently the company had to transfer around 75 production and administrative staff to the South to a new plant to support the restructuring of company activities.
- Staff perceived many obstacles in this transfer.

Obstacles encountered relocating North to South:

- Public Transport – This is an issue in both directions as there is currently no public transport service which goes to the plant in the South so employees have to organise car pools.
- Statutory Sick Pay (SSP) – There is no SSP scheme in operation in the South. Under the PRSI regulations in the South employees may be eligible to claim Disability Benefit if unable to work due to illness, provided they satisfy certain contribution conditions, after three waiting days.
- Healthcare – If employees are resident in the North they will continue to receive free medical care entitlements in the North if they are relocated to the South. However if the employee is resident in the South and changes his place of work from North to South, he will lose his entitlements to free medical care in the North. If his partner continues to work in the North, they will only be able to receive free medical care for themselves, and not the rest of the family.
- Pension Entitlements – If an employee is resident in the North and relocates employment to the South and begins to pay into the PRSI scheme in the South, when he reaches retirement age, he will make his claim for state pension to the Northern authorities. They will initially take account of the contributions that the employee made into the North. If this does not amount to enough contributions for a full state pension, they will take into account contributions paid into the South. If an employee is resident in the South and changes his place of work from North to South and then pays PRSI, he/she will make his/her claim for state pension to the Southern authorities. They will initially take account of the contributions that the employee has paid into the South. If this does not amount to enough contributions for a full state pension, they will take into account contributions paid into the North.
- Recognition of Qualifications – Part qualified candidates on the apprenticeship system in the South who move to the North to work cannot slot into the NVQ system part way through. Also Health & Safety qualifications are not recognised equally on a cross-border basis and consequently re-training is required which is an added cost to the company.
- Employment Legislation – This is an obstacle when operating on an all island basis as differences exist in every area from public holidays to sick pay, maternity leave and the minimum wage. If an employee is transferred to the other jurisdiction, a new contract is required with new terms and conditions.
- Child Benefit – If an employee is resident in the North and is relocated to the South to work, the Southern authorities will be liable to pay the majority of his child benefit. The North will then make a supplement to this, ensuring that his current child benefit payment is unaffected. However, if the employee is resident in the South, the Southern authorities will be liable to pay his/her child benefit with no supplement from the UK.
- Training – The company was awarded the Investor in People status in the North. When the staff transferred to the South their training status did not map into the southern Excellence in People initiative.

- Telecommunications – expensive mobile phone roaming charges for employees moving across the two jurisdictions.
- Taxation – If an employee has not used up his/her tax relief and transfers to the South, he/she loses the remainder of this tax relief. In terms of taxation status, if an employee works in the South and lives in the North if his wife works in the North he will be classed as single for taxation purposes in the South.
- Banking – If an employee is living in the North and working in the South, his/her pay will go into a Southern bank. The employee will then have to write a cheque from the Southern account to pay into the Northern account, therefore incurring charges.

How has the company intervened?

- The company produced an internal booklet to alleviate concerns about moving location from North to South.
- Telecommunications – All managers are issued with two mobile phones with one for the North and one for the South to avoid roaming charges. Also all sales representatives have a defined territory within one jurisdiction and the company pays for a mobile phone and calls in that jurisdiction only. The Company considers an all-island tariff or a border tariff would be a possible solution to expensive roaming charges.

Ongoing problems associated with relocated staff or staff recruited from the other jurisdiction.

- The company finds it difficult to attract high calibre staff to a border location irrespective of the North/South dimension.
- The company considers that it is possibly harder however to attract individuals from the North to work in the South because of the loss of all social welfare and employment legislation rights and perceptions around taxation.
- Training – a key issue arising in the North for the company is that Northern resident employees working in the South do not qualify for support for training through the Company Development Scheme (DETI), as it is only applicable to workers in the North. The company feels that EI and the DETI do not work closely enough together unlike DHFETE and FAS who have better linkages in place.
- Mortgages- if an individual works in the North and consequently earns sterling and he/she wants to buy a house in the South, the bank in the South will not recognise the currency differential which effectively increases the borrowing rate. Practically this means that an individual acquiring a mortgage on the basis of two and a half times his salary in the North does not get the same leverage to buy a house when his Northern salary is equated to punts.

How has the company intervened?

- As the company finds it difficult to attract high calibre staff to a border location irrespective of the North/South dimension, the company offers competitive remuneration packages to attract and retain staff.

Concluding Comments

- The company is keen to see a Government role in pursuing solutions.
- The company believes that some type of advice/guidance point would be useful to facilitate companies/individuals considering working/operating across the border.
- When the company was considering the implications of moving staff to the plant in the South from the North, they had to seek advice from a consultancy firm, particularly around pension related issues.
- Within the company, it is much more common to have individuals working in the North and living in the South as the relative benefits of this arrangement far outweigh working in the South and living in the North.

Company 5

Background

- Company 5 operates in the voluntary health and social care field.
- It employs almost 100 employees in the North but recruits cross-border.

Obstacles relating to transfer/relocation of staff from jurisdiction to another

- No transfer/relocation of existing employees/directors across the border as they are only located in the North.

Obstacles relating to ongoing problems associated with staff recruited from the other jurisdiction.

- Nurses who have been recruited from the Southern jurisdiction must re-register when pursuing work in the North, but the process is relatively straightforward as the Southern nursing qualification is recognised by them as an employer.
- Issues arise when employees from the Southern jurisdiction are recruited as they do not have a Northern National Insurance number which is necessary to allow the company's payroll system to process a salary. The company contacts the DHSS who normally respond quickly, providing a temporary solution until the NI number is issued. The solution is to put in the employee's date of birth plus some specified numbers in the payroll, which enables the salary to be processed.
- The public transport facilities across the border are very poor and one employee had to have a degree of flexibility around her working day to tie in with the bus timetable.

How has the company intervened?

The company has had and continues to have very few problems in relation to employing people from the Southern jurisdiction. Generally, it was commented that people living around the border regions have a general understanding of the issues in relation to cross-border working when they join. However most information is communicated via word of mouth and not any official source.

Company 6

Background

- Company 6 operates within the Financial Services sector on an all island of Ireland basis.
- It employs several thousand staff in the North and South.
- Transfers of staff between North and South are very rare. Terms and conditions are negotiated separately and recruitment takes place separately. In the North the company recruits entirely from within Northern Ireland and therefore does not face any obstacles in relation to mobility in this area either. Obstacles identified by the company therefore relate to a very small number of cases of transfers or more commonly to the general difficulties of management staff travelling to meetings in Dublin and elsewhere.

Obstacles relating to transfer/relocation of staff from jurisdiction to another

- Housing costs – the high cost of housing in Dublin creates a barrier to greater mobility of staff from North to South. As transfers are not practised, it has not been necessary to seek a solution. However, this is perceived by management as the main barrier to greater mobility. In fact the same problem affects transfers from any regional city to the capital e.g. Belfast to London.
- Transport – it is quicker to get from Belfast to many parts of London by air than to Central Dublin by train.
- Economy – lower level of economic growth and general political instability limit mobility from South to North.
- Recruitment legislation – strictness of employment equality legislation in NI tends to put off people from South wishing to work in North – in South employment practices are more relaxed.
- Taxation systems – while this has been a deterrent in the past, complicated by exchange rate fluctuations, it is much less so now.
- Company car legislation – differences between North and South can be a hindrance to mobility.
- Quality of life – perceived quality of life or lack of it can create barriers to mobility.

Obstacles relating to ongoing problems associated with staff recruited from the other jurisdiction.

In the North, the company recruits entirely from within Northern Ireland and therefore does not face any obstacles in relation to mobility in this area either. Obstacles identified by the company therefore relate to a very small number of cases of transfers or more commonly to the general difficulties of management staff travelling to meetings in Dublin and elsewhere.

How has the company intervened?

As transfers are not practised, it has not been necessary to seek a solution. However, the cost of housing in the South is perceived by management as the main barrier to greater mobility.

Company 7

Background

- Company 7 operates in the Food Processing Sector.
- It employs around 500, North and South.

Obstacles relating to transfer/relocation of staff from jurisdiction to another

- No transfer/relocation of existing employees/directors across the border.

Ongoing problems associated with relocated staff or staff recruited from the other jurisdiction.

- Employment Legislation - When the Southern depot was set up staff were recruited from both the North and South. The Northern depot is staffed only by employees living in the North. Due to the differing employment legislation, contracts based on Southern legislation had to be drawn up for the new depot in the South. Understanding the different employment legislation in the South was a hassle.
- Employees' entitlement to redundancy/social security/ state benefits – The Southern depot was originally set up as an operational site. However, the operation in Monaghan was discontinued, resulting in significant redundancies and only the depot remains. Due to the redundancy differentials between North and South, the company contacted the Labour Relations Agency (LRA) which had an Information Helpline to establish the correct practice. Employees who had been made redundant in the South and lived in the North were classed by the company as working in the North so their benefit entitlements would not be affected.

How has the company intervened?

- Employment / Redundancy Legislation – The company gathered information from the Labour Relations Agency.

Company 8 (Central Border)

Background

- The company provides professional legal services and is predominantly based in the South with a sub-office in the North.

Obstacles relating to transfer/relocation of staff from jurisdiction to another

- No transfer/relocation of existing employees/directors across the border.

Ongoing problems associated with relocated staff recruited and staff recruited from the other jurisdiction.

- No staff recruited from the other jurisdiction

Other Obstacles Encountered Operating on a Cross-Border Basis

- **Banking** – The company maintains bank accounts on both sides of the border with the same bank. Unfortunately, the Bank's system is such that the company cannot use the services of one of their branches to operate the facility in another branch. To give an example, if the company wanted to pay Sterling cash into their Northern client account which they had received from a client, they would be obliged to go to the bank in the North to do so instead of being able to lodge through their account in the South.
- **Postage** – When a letter is sent from the North to the South, the letter can take up to 10 days to arrive at their office in the South. Post being sent to the North is much more likely to arrive at its destination within two days of posting. The company believes there must be a more integrated postal system. An efficient postal system is vital to the wellbeing of an integrated economy.
- **Panel Status** – The company is on many mortgage lending panels of financial institutions. However, one institution in particular will not give them panel status because they do not have a main office on the Northern side of the border. The company finds this illogical particularly in view of the fact that many other lenders are quite happy to instruct them and also in light of the fact that the company's main office is situated one mile within the Southern Border and both partners have Practising Certificates in the North and hold Professional Indemnity Insurance for all legal work in NI.

How has the company intervened?

The Company has had no experience of obstacles in the recruitment and relocation of cross-border staff, as its offices in the North are staffed by individuals from the North and its offices in the South are staffed by Southern residents. The company's issues were focused more on the operational issues of running a business on both sides of the border, which it believes could be facilitated by a more integrated approach between the two jurisdictions to banking and other services.

Appendix D

Individual Case Studies

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The company and individual case studies have been prepared solely for the purpose of this study. They should not be used for any other purpose. The names of the individuals have been changed to retain confidentiality. The case studies reflect the position as represented by the companies and individuals at the time of interview. No independent appraisal or evaluation of these views and perceptions has been carried out. Irrespective of this, views and perceptions are an important issue in driving and influencing mobility between the two jurisdictions.

(A) INDIVIDUALS WHO LIVE IN THE SOUTH AND WORK IN THE NORTH

(i) Individual 1 - Sheila (Eastern Border)

Background

Sheila lived and worked in Newry until she married her partner from the South. She then went to live in the South but continued to work in the North where she works as a civil servant. She commutes cross-border everyday.

Barriers Encountered

1. Lack of Information

- Sheila believes there is a general lack of information on the implications of living and working cross-border specifically with regard to benefit entitlement and taxation.

2. Healthcare

- Sheila felt that people are not aware of what they are entitled to. The fact that people have to pay for medical assistance in the South, makes people afraid to say where they live in case they lose access to NHS services in the North, which in turn encourages the potential for fraud.

3. Banking

- Sheila has a Northern bank account and her husband has a Southern bank account. If she was relying on her Northern account to pay bills in the South, she would incur severe charges.

4. Currency

- Sheila has to carry both currencies.

5. Qualifications / Job Seeking

- Sheila indicated that there used to be an issue with needing an Irish language qualification to work in certain areas but she believes this has now been addressed.
- Sheila believes there is still an issue over people's lack of awareness of what they "can apply for" in the South.

Concluding Comments

Sheila felt there as a general lack of information on what cross-border workers are entitled to. In terms of support sought, Sheila has made little attempt of a formal nature due to the fear of losing the benefits which she currently gets. She believes that if T&EA and FAS were to work closer together, job centres at cross-border areas could produce a leaflet setting out the implications of working on a cross-border / frontier basis.

(A) INDIVIDUALS WHO LIVE IN THE SOUTH AND WORK IN THE NORTH

(ii) Individual 2 - Hugh (Eastern Border)

Background

Hugh lives in the South but works in the North in the education sector. He commutes cross-border everyday. His decision to work in the North as opposed to the South was due to a better job / salary being offered in the North.

Barriers encountered

1. Taxation

- Due to his circumstances, Hugh would have been subject to the dual taxation regime which was previously in place, resulting in him having to pay tax at source on his Northern employment income and then making up the difference arising from his residence in the South (say 25% in the North and a further 15% in the South).
- As Hugh was a non-industrial civil servant working in the North, he was exempt from this dual taxation.
- Hugh was not entitled to Mortgage Interest Relief At Source (MIRAS) on his Northern income as his property and mortgage were in the South.

2. Children's Education

- Hugh's children are being educated in the North at primary school level. The difference in the two education systems both in terms of the 11+ in comparison to the Southern equivalent and also different teaching practices makes it a barrier when deciding whether to pursue secondary education in the North or in the South.

3. Currency Fluctuations

- The fact that Hugh is paid in Sterling yet his mortgage payments are in punts creates an issue if the exchange rate fluctuates.

Concluding Comments

The main barrier Hugh perceived was the implications for him of the dual tax regime if he had not been covered by the exemption. Further to this, currency differentials remain a problem for him due to his cross-border working patterns. Hugh believes there is a definite lack of information regarding cross-border workers and what their entitlements are, which in turn potentially encourages less than full disclosure of circumstances.

(A) INDIVIDUALS WHO LIVE IN THE SOUTH AND WORK IN THE NORTH

(iii) Individual 3 - Bob (Western Border)

Background

Bob lives in the South but works in the North within the employment services sector. He commutes cross-border everyday. His decision to work in the North was due to a better job being offered in the North.

Barriers encountered

1. Taxation

- Bob would have been subject to the dual taxation regime resulting in him paying tax at source on his Northern employment income and then making up the difference arising from his residence in the South (say 25% in the North and a further 15% in the South).
- As Bob was classed as a non-industrial public servant working in the North, he got exemption from this dual taxation.
- Bob believes this tax regime has changed in recent years.
- Bob believes there is no real difference in taxation levels for people earning up to £22,000 in both jurisdictions but higher earners are subject to higher tax in the South.

2. Social Benefits

- Although Bob is not near reaching pension age, he is aware that pensioners get better allowances / benefits in the South including the rent paid on their phone, free bus service, and contribution towards home heating.

3. Training

- No NVQ system exists in the South. However, FAS run a similar system in the South. The main difference in the systems is that the FAS system requires the apprentice to have an employer to sponsor him to go to a FAS college. This is not necessary under the NVQ system in the North. As a result, he believes a number of young people from the South come up to the North to enrol in T&EA (DHFETE) courses as no sponsor is needed. The T&EA pay for the course and the trainees also get better allowances in the form of travel allowances etc.

4. Telecommunications

- Although the cost of phoning the North from across the border is expensive, Bob avoided this through a “special deal” with Telecom Eirean, which discounts all Northern calls.

Concluding Comments

Bob considers his fears over dual taxation as being the main barrier he has encountered. He regards expensive call charges as merely a “hassle”. Bob sought to address the taxation barrier by contacting relevant tax authorities in both jurisdictions. However, despite the barriers encountered, he would still have chosen to work in North and live in the South.

(A) INDIVIDUALS WHO LIVE IN THE SOUTH AND WORK IN THE NORTH

(iv) Individual 4 - Lynne (Eastern Border)

Background

Lynne lived in Newry until she married her partner from the South and decided to live there. She continued to work in the North, even though her place of residence is the South. Lynne currently works in the North within the employment services sector. She commutes cross-border everyday.

Barriers encountered

1. Taxation
 - As Lynne works in the North but lives in the South, she is unsure as to her entitlements with regard to the married couples allowance.
 - She believes there is difficulty getting taxation advice as accountants tend to specialise in either jurisdiction.
2. Pensions
 - As Lynne lives in the South, she does not know if she is eligible for a state pension in the North.
3. **Provision of Health Care/ Costs of Access**
 - As there are lots of different Health Boards, Lynne did not know where to go to find out if she is eligible for health care. She found out informally through a work colleague.
4. Access to Education for dependent children
 - Lynne's children are currently educated in the South which she believes is more expensive than the North, due to having to buy their books etc. Lynne is unsure if she is entitled to have her children educated in the North.
5. Postage
 - Postage is in her view, a lot slower in the South and is quite unreliable. Lynne will sometimes have items sent to her sister's address in the North, if the item is being sent from the North, as it will get there quicker.

Concluding Comments

Lynne regarded the major barriers encountered to be those in relation to lack of information about eligibility regards pensions, education and tax. The lack of official information plus an unwillingness to identify yourself e.g. in relation to tax, because of potential repercussions, makes information gathering difficult. In an attempt to address her concerns regarding taxation, Lynne talked to accountants but unfortunately found their expertise was limited to their own jurisdiction and did not take account of cross-border issues. Despite the barriers encountered, she would still have chosen to work in North and live in the South.

(A) INDIVIDUALS WHO LIVE IN THE SOUTH AND WORK IN THE NORTH

(v) Individual 5 - Karen (Western Border)

Background

Karen is a single parent who lives in Donegal but works in the North. As she was earning a low income as a cleaner, she was entitled to certain social security benefits.

Barriers Encountered

1. Social Security

- As Karen was earning a low income, she was also in receipt of Working Family Tax Credit (WFTC) from the NI Government and a single parent benefit from the Southern Government.
- In Feb 2000, the Social Welfare office in the South asked her to send in all her benefit books. They then issued her with a letter to say that they would be reducing her single parent benefit. The reason was that they were setting off the WFTC which she was receiving from the UK welfare office against her Single Parent Family Allowance from the South.
- She had previously applied for the Southern equivalent of WFTC called FIS and had been rejected because she was earning in the North and was told that this was where she should be claiming it.
- She perceived that the terms of the Single Parent Family Allowance in the South state that you are entitled to claim FIS as well.
- The individual appealed the decision by Letterkenny to reduce her lone parent benefit in this way. However, 15 months later there is still no decision.
- The drop in income resulted in the individual giving up her job in the North and getting one in the South so she could get FIS and receive her full lone parent benefit.

Concluding Comments

The social security implications of working cross-border were so great that Karen decided to give up her employment in the North and look for employment instead in the South. Karen contacted the relevant authorities in both jurisdictions. However, as she was dealing with two separate bodies, this lengthened the process. As well as the relevant authorities, Karen also contacted the Citizens' Advice Bureau. Karen felt there was a definite lack of information available for people in her position who were living in one jurisdiction but working in another.

(B) INDIVIDUALS WHO LIVE IN THE NORTH AND WORK IN THE SOUTH

(i) Individual 1 - Liam (Eastern Border)

Background

Liam lived and worked in the North up until 1969. In 1969 he took up employment in the South within the employment services sector but continued to live in the North. He commutes cross-border to work every day. His reason for pursuing a career in the South was that the job offered in the South was more desirable.

Barriers Encountered

1. Exchange Rate

- The fact that Liam gets paid in punts yet pays the majority of his bills in Sterling means that his income is effectively reduced by around 20% when translated into Sterling.

2. Banking

- Liam believes he needs to maintain bank accounts in both jurisdictions.
- His account in the North can transfer money in from his Southern account but his Southern account cannot transfer money in from his account in the North.

3. Taxation

- Between 1969 and 1973, according to the taxation laws, Liam was treated as a non-resident in the South and therefore paid tax in the North based on his gross income from the South.
- In 1974 the taxation rules changed. The outcome of this was that if you earn money in the South you pay your tax there (at source). So Liam paid his tax in the South. This was then offset against what tax he would have had to pay in the North if he had worked there. If he paid less tax under the Southern tax laws than under the Northern tax regime, he would be subject to a further tax bill to make up the difference. However, if he paid more tax in the South than in the North, he would not be entitled to a rebate.

4. Rates

- Liam is of the view that he would not have to pay rates if he lived in the South.

5. Housing / Mortgages

- Liam could not get a mortgage in the South for property in the North. As a result he was forced to borrow Sterling even though his earnings are in punts.
- Liam was not entitled to MIRAS relief on his earnings in the South as mortgage and property were in the North.

6. Training

- According to Liam, if a Northern individual wants to train with FAS he is treated as an EC applicant and gets the same treatment as a southern individual.
- If a Southern individual wants to train in the North, he needs a Northern address – Liam views this as discrimination, which encourages various responses.

Concluding Comments

The most significant barrier encountered by Liam was the taxation implications of living and working in two jurisdictions. This was made even worse by the general lack of information about what an individual is entitled to as far as benefits/ social security/ pension / tax advantages etc. Mortgage arrangements and currency differentials were also barriers but were not considered as significant as the others. Banking was regarded by Liam as merely a “hassle” factor.

Liam attempted to tackle these barriers by contacting the relevant tax authorities in both jurisdictions. However, he feels there is a definite lack of information available to cross-border workers on practical issues such as tax / social security etc.

In terms of solutions, Liam considered a special cross-border facility should be established as an “info point” and the possible introduction of Euro mortgages would reduce the exchange rate exposure of having a Sterling mortgage yet salary in punts.

However, despite the barriers encountered, Liam would still have chosen to work in the South and live in the North.

(B) INDIVIDUALS WHO LIVE IN THE NORTH AND WORK IN THE SOUTH

(ii) Individual 2 - Rory (Western Border)

Background

Rory lives in the North but works in the South. He is employed in the pharmaceutical sector and commutes cross-border to work everyday. His decision to pursue a job in the South was to further his career opportunities.

Barriers encountered

1. Recognition of Qualifications

- Critical to Rory's attainment of the job of Quality Manager, was that he had to be a 'Qualified Person' i.e. attain the eligibility, as designated by EEC Directive, to be named as a product licensee. Rory attained this qualification through the professional body but it was not recognised in the Southern jurisdiction by the Irish body due to the difference in the course. This was despite the same syllabi and standard of assessment. Rory undertook a two-year exercise to have his qualification recognised by the Irish body via his professional body, the European Commission and DHFETE. 'The Qualified Person' requirements are stated in Article 31 of Directive 81/851/EEC but the individual countries' implementation of the Directive has created blockages in relation to recognition. This is a practical example of the difficulties surrounding the law of mutual recognition and the blockages that can happen.

Concluding Comments

According to Rory, the issue around qualification recognition was a "hassle" more than an absolute barrier due mainly to the understanding and co-operation of his employer. His employers were able to facilitate the process.

In terms of support sought to address this barrier, Rory approached the professional body as well as seeking clarification from the Irish body, the European Union, DHFETE and the Dept of Health and Children. Overall, Rory would be of the opinion that the availability and quality of information to support cross-border/frontier workers and individuals seeking to move to live/ work/ study in the other jurisdiction was poor in relation to qualifications as it took two years to bring the issue to a conclusion. In terms of a solution to this barrier, Rory believes that qualifications directed from the European Union should be implemented effectively in relation to EU-wide recognition.

(C) STUDENT FROM THE NORTH STUDYING IN THE SOUTH

(i) Individual 1 - Fergal

Background

Fergal is a single student currently living in Dublin and studying at a college in Dublin. He was originally from Tyrone and returns there every six weeks or so for the weekend.

Barriers Encountered

1. Provision of health care
 - Fergal regarded this as quite important as it is free in the North.
2. Housing
 - Fergal regarded this as very important as accommodation is much more expensive in the South than in the North. This is an important factor for students trying to survive on grants. In the North you might pay up to £40 per week for rent, compared with £55-£70 or more in Dublin.
3. Education
 - Fergal believes that it is easier for students from the North to go to Great Britain to study than to go to the South. The main reason for this is that universities in Great Britain base applications on A-levels as opposed to the unfamiliar Leaving Cert requirements of the South.
 - Fergal believes that students from the North do not realise that if you study a course in university in the South which you also covered to A-level stage, much of the first year will have been covered, due to the more in-depth focus of A levels, compared to the broader approach of the Leaving Cert.
 - The allowances for students are better in the north but you can still avail of them if you go to live in the South. However, for some reason, they take longer to pay them if you are living in the South - so if you are likely to need them urgently, it could be an inhibiting factor for students.
4. Transport services
 - Difficult when trying to make visits home by train/bus.

Concluding Comments

According to Fergal, the cost of accommodation is the major barrier for students. This would also be an important factor in deciding whether to try to find work in the South, when university is completed. One idea for a solution that Fergal envisaged was a ceiling to be introduced as regards what landlords can charge students for rent. Recognition of A-levels versus Leaving Cert and the difference in the two systems are regarded by Fergal as “hassles” as opposed to absolute barriers. Despite these issues Fergal would still have made the decision to study in the South, as there was a particular course he wanted to take.

(D) INDIVIDUALS FROM THE SOUTH NOW LIVING IN THE NORTH

(i) Individual 1 - Emma (Eastern Border)

Background

Emma previously lived in the South but decided to move to the North due to a perception of a better standard of living. She currently lives in the North but works in the South within the employment services sector. She commutes cross-border to work every day.

Barriers encountered

1. Taxation
 - When Emma first moved to the North, she lost 50% of her wages in Emergency Tax, which was eventually repaid after 6 months. Emma would like to see a more harmonised approach to tax.
 - Emma was not able to get tax relief on mortgage until recently and originally had to get a Sterling mortgage.
2. Childcare
 - Emma originally had children in childcare in Newry but moved them to Dundalk for convenience. However she moved them back to Newry within 6 months due to the higher standard of service received in the North.
3. Recruitment/Selection
 - Emma believed that people from the South attending an interview in the North for a Northern position would find the more stringent “ fair employment” focus of the Northern selection process intimidating.

Concluding Comments

For Emma the most significant barrier was taxation and being in a temporary tax code for 6 months. Childcare was considered more of a hassle than a barrier. Emma felt the taxation issue was exacerbated by a lack of information. Emma had not sought support to address these barriers but was aware that there was a distinct lack of information available on cross-border issues such as taxation, benefits etc. A solution she suggested was a more harmonised approach to taxation. Despite the problems she encountered moving to the North, in retrospect she would still have made the decision to move.

(D) INDIVIDUALS FROM THE SOUTH NOW LIVING IN THE NORTH

(ii) Individual 2 - Philip (Belfast)

Background

Philip and his family lived in Dublin before making a permanent move to the North. The rationale for making the move was to further his career by taking on a better job opportunity offered to him in the North.

Barriers encountered

1. Social Security/ Benefits
 - On moving to the North, Philip's wife left her job and claimed social security benefit in the North. His wife experienced difficulty in relation to the processing of social security payments. It took a number of months for this to be processed between Dublin and Belfast. The situation was only rectified quickly when Philip made a personal telephone call to a senior government contact.
2. Education
 - Philip and his wife experienced difficulty in relation to the fact their child was at 11+ stage when they moved to the North. Primary education in the South finishes when the child is 12, so consequently Philip's child was behind the Northern children in the curriculum. Philip's child had to undertake an assessment test by the local Education Board to provide an 11+ benchmark, but this involved expense for Philip in employing a tutor to coach his child in the differences in the curricula.
3. Housing
 - Philip and his wife were concerned that there was no objective source for advice on areas in which to purchase houses. This was particularly pertinent as Philip and his wife had never visited the North before for any length of time and had preconceptions of the 'Troubles'.
4. Banking services
 - Philip and his wife had difficulty in obtaining a mortgage because all the banks, including the Northern branch of Philip's Dublin bank, said that he had to live and work in the North for 6 months. This was despite Philip having a job in the North and having a banking record in the South. He eventually got a mortgage arranged through a specialist at an accountancy company.

Concluding Comments

Philip and his wife both viewed these issues more as hassles than actual barriers. Both felt that the availability and quality of information to support individuals seeking to move to live and work in the other jurisdiction were very poor. They did not seek advice from statutory agencies, CAB/CIC or cross-border support networks. A possible solution recommended by Philip was the establishment of some form of housing body for independent advice. Despite the costs created by these obstacles, such as tutoring costs, and the other barriers encountered, Philip and his wife would still have made the decision to move.

(D) INDIVIDUALS FROM THE SOUTH NOW LIVING IN THE NORTH

(iii) Individual 3 - Andrew (Belfast)

Background

Andrew was originally from the South where he worked in the public sector between 1990 and 1994. He then moved to England for 5 years where he worked as an academic employee. In 1999 he moved to Northern Ireland to take up a post as an academic employee where he has remained to date.

Barriers encountered

1. Pensions

- Andrew worked for the Public Service in the South for 5 years where he was a member of the pension scheme. He later joined the Universities Superannuation Scheme (USS) when he worked for the UK Public Service. However, he was unable to transfer his five years service/funding from the South scheme into the North scheme.
- According to Andrew, the USS scheme allows people to move from the Civil Service to a teaching profession but there is no transferability between jurisdictions, even though the Scheme rules and regulations appear similar.
- This could present a major barrier to mobility in later life if Andrew wanted to move back to the South before retirement.

2. Healthcare

- Andrew had considered obtaining private healthcare but discovered that BUPA, although they operate schemes in the North and South, have no transferability between the 2 jurisdictions.
- So if Andrew was to move South he would lose the benefits of his previous premiums paid in the North. He would be treated in the South as a new applicant.

3. Housing

- High housing costs in the South would be a barrier to returning South to work.

4. Telecommunications

- Phone charges are too high if phoning North/South
- Andrew considers it a nuisance that you have to use an international code to phone South.
- Freephone numbers cannot be used in other jurisdictions

5. Banking Services

- Andrew has a bank account in both jurisdictions
- He believes you should be able to have both a Sterling and punt account so that if you are in the North and intend to travel South you can use your PIN card to withdraw punts before you travel South.
- At the moment the foreign exchange charges are too high.
- Uses electronic banking but cannot find out in one call the details of his accounts in the North and South even though it is the same Bank – has to make 2 separate calls.

6. Transport Services

- Not sufficiently integrated
- No late trains to/from Dublin
- If individual wanted to travel from Belfast to Cork, Belfast station could only give him details to Dublin. You would then have to make an “international” call to Dublin to find out the connecting times of trains to Cork.
- Difference in fares – single journey from Belfast – Cork is more expensive than from Cork-Belfast.

7. Postage

- Very slow; faster to get things sent from Great Britain than from the South.

8. Employment Law

- Andrew favours the employment legislation in force in the North. He believes the fair employment / equality legislation creates a fairer selection and recruitment process than is in place in the South.

Concluding Comments

For Andrew, the most significant barriers have been the non-transferability of pensions and the political situation. If the Good Friday Agreement fails Andrew would consider moving to the South again. Andrew considers the lack of integrated transport facilities and expensive banking / phone charges as hassles as opposed to barriers.

In terms of seeking support to address these issues, Andrew contacted his bank to see if it would be possible to have a punt account in the North which would allow him to withdraw punts from a cash machine in the North. He also spoke to pension funds in the North and South to determine transferability.

In terms of suggesting solutions, Andrew believes that banks should be lobbied to create dual currency accounts and due to the mobility of university academic staff, special pension arrangements should be in place to facilitate movement. To better integrate the two rail services, Northern rail services should provide timetables for connecting services in the South.

(E) INDIVIDUALS FROM THE NORTH NOW LIVING IN THE SOUTH

(i) Individual 1 - Jean (Dublin)

Background

Jean works in the medical services in Dublin. She is a separated parent with one son.

She moved from the North to work in the South 30 years ago because of the political situation at the time.

Barriers Encountered

1. Recognition of Qualifications
 - Moving from the North to the South gave an advantage to Jean who had better training in her field than was available in the South. Presumably, therefore, there would have been a comparable barrier for any movement in the other direction.
2. Housing/Pension
 - The high cost of housing, particularly in Dublin, would be a significant barrier to anyone wishing to settle in the South. However, this will probably be a factor in the interviewee retiring to the North - the sale value of a house in Dublin could provide the means to purchase an apartment and supplement pension needs.
3. Transport Services
 - This was a potential barrier when Jean first came to Dublin due to the hassle of poor public transport for home visits to Derry.

Concluding Comments

According to Jean, housing would probably be the major barrier if the move was being made now. At the time, as a young person, there were no insurmountable barriers.

Jean is of the perception that there is plenty of information and support for cross-border mobility if one wanted to seek it out.

According to Jean a major solution would be for Britain to “subscribe” fully to the EU, as a result everything else would open up and the sense of ‘difference’ between the two parts of the country would be less obvious.

Despite the issues mentioned, Jean would still have made the move South. The deciding factor for her was and is “the Troubles”.

(E) INDIVIDUALS FROM THE NORTH NOW LIVING IN THE SOUTH

(ii) Individual 2 - Sarah (Dublin)

Background

Sarah works in the academic profession. She worked in a university in the North before moving to the South to a university. She has since returned to the North. While living in the South, Sarah maintained links with the North through a Northern bank account and membership of various Northern Associations.

Barriers Encountered

1. Banking

- Sarah encountered numerous problems trying to pay for things in the North while she was living in the South. She had previously used the EuroCheque facility but this service was withdrawn. Sarah basically wanted to pay Sterling bills out of her account in the South and incurred significant bank charges in doing so.
- Sarah also wanted to be able to withdraw Sterling from her Southern account on request from an ATM, to enable her to pay for things if she had to go across the border into the North.

2. Transport

- Sarah did not feel that the train services between Belfast/Dublin were regular enough. She felt that a later train at night would be a good idea.

Concluding Comments

Sarah would consider these obstacles as “hassles” rather than absolute barriers.

(F) UNEMPLOYED INDIVIDUALS JOB-SEEKING IN EITHER JURISDICTION

(i) Individual 1 - Anna (Eastern Border)

Background

Anna lives in the North, has never worked in the South to date but is job-seeking in both jurisdictions.

Perceived Barriers to Mobility

1. Taxation

- Anna was concerned that she might not be able to access NHS services in the North if she worked in the South, as she would not be paying National Insurance in the North.

2. Travel

- Anna would have to rely on public transport if she were to pursue an offer of employment in the South and she was not aware about the availability of transport services between the two jurisdictions.

3. Fear of Unknown

- Anna has the perception that the South is a “totally different country” across the border where she has no family or friends.

4. Housing

- Anna believes housing is more expensive in the South.

Concluding Comments

Anna believes that information setting out the practical issues / information of working cross-border is needed so people can make an informed choice when deciding whether or not to pursue a job offer in another location.

(F) UNEMPLOYED INDIVIDUALS JOB-SEEKING IN EITHER JURISDICTION

(ii) Individual 2 - James (Eastern Border)

Background

James lives in the North, has never worked in the South to date, but is job-seeking in both jurisdictions.

Perceived Barriers to Mobility

1. Exchange Rate
 - James felt that a salary offered in the South would have to be high enough to allow for the difference in exchange rates.
2. Job Insecurity
 - James had the view that the Celtic Tiger economy may go bust. His concern was what happens then. Can an individual claim benefits in the South if he loses his job there? Is he entitled to redundancy?
3. Perception of South
 - James is more aware of how the labour market is operated in the North and what his entitlements are. He feels that he is ignorant of the implications of choosing to work in the South.

Concluding Comments

James felt that if the T&EA and FAS were to work closer together, job centres in cross-border areas could provide a leaflet on the implications of working in the North/South.

(F) UNEMPLOYED INDIVIDUALS JOB-SEEKING IN EITHER JURISDICTION

(iii) Individual 3 Sean - (Western Border)

Background

Sean is unemployed and living in the North. He is single and lives with his parents. He has worked in the South before where he commuted weekly to train as an electrician but he has now returned to the North. Sean's main rationale for going to the South to train was the fact that the company offering training in the South was owned by a family friend.

Perceived Barriers To Mobility

1. Taxation
 - Sean considers this would be a major barrier along with the exchange rate fluctuations
2. Social Security
 - Sean would be concerned that if he worked in the South and was made redundant there, he would be unable get social security benefit when he returned to the North.
3. Housing
 - If Sean were to get a job in the South, the salary would have to be high enough to compensate for the higher housing costs in the South.
4. Transport Services
 - Sean considers the cross-border infrastructure as very poor. When he was commuting to the South his only means of getting there was via a very prolonged and detoured journey.

Concluding Comments

Sean considers the financial issues the most important. The job in the South would have to be high paying if accommodation etc was to be paid. Transport services would be more of a "hassle" than an actual barrier.

(F) UNEMPLOYED INDIVIDUALS JOB-SEEKING IN EITHER JURISDICTION

(iv) Individual 4 - Chris (Western Border)

Background

Chris is unemployed and currently on New Deal. He is married with children and lives in the North. Chris has lived temporarily in the South but was unable to get any employment there and so decided to return North. He is currently job-seeking in either jurisdiction.

Barriers Encountered

1. Taxation
 - Chris considers taxation to be higher in the South. Any job offered to him would need to have a higher salary than the Northern equivalent to make him consider it.
2. Education
 - Chris considered this would be a barrier to living in the South as the schooling system places a greater financial burden on parents e.g. purchase of school equipment.
3. Telecommunications
 - Chris felt that postage and telephone calls to family in the North when living in South were high.
4. Transport Services
 - Transport services could be a barrier in that Chris would need to rely on public transport and he has doubts about the availability of cross-border services.

Concluding Comments

According to Chris, taxation and other financial factors would be the major barrier to living and/ or working in the South. Chris previously moved back to the North from the South for financial reasons and these financial considerations will dictate his future mobility.

(G) INDIVIDUAL FROM THE NORTH WHO RETIRED TO THE SOUTH

(i) Individual 1 - Trevor

Background

Individual had lived and worked in the North for 47 years before retiring to the South.

Barrier Encountered

1. Healthcare Costs

- While living in the North he had been under a consultant's care and was due to have minor surgery while still living in the North but had to cancel it. Trevor moved to the South but continued to receive treatment from his doctor in the North.
- An appointment for hospital treatment came up again in the North and this time he attended. He was then sent a demand for payment of £1000 on the grounds that he was no longer a resident of the North.
- The results of the operation indicated that he needed a bypass.
- As he had no income generated in the South he was entitled to a medical card in the South entitling him to free hospital treatment in the South.
- There is a procedure available under EU legislation for referring people to another Member State for treatment. The decision to refer is discretionary to the local Health Board. He applied to the Health Board in the South for financial assistance to have his treatment in Belfast, so his wife could stay with friends/avoid transferring all his records to Dublin etc. Whilst waiting for a response an appointment came through for him from a Belfast Hospital. Trevor took it as his condition was deteriorating. The procedure cost some £10K in sterling and the Health Board agreed to pay a contribution with Trevor having to pay the difference himself.
- Had he availed of his medical card benefit in the South and gone to Dublin for surgery, the Board would have paid all his costs and also having had the operation earlier saved the Board additional costs in visits/medication etc.

Concluding Comments

When Trevor sold his home in the North he did not realise that he would lose his automatic entitlement to treatment benefits in the North. As well as contacting the relevant health authorities, Trevor also contacted the Citizen Advice Bureau who informed him that there had been recent decisions in the European Court of Justice to support an argument that Trevor is entitled to receive medical services in any Member State of the EU, under the same conditions as his state of residence.

(H) FOCUS GROUPS

(i) Focus Group 1

Background

The focus group was held at Fermanagh Training Centre. None of the group had ever worked in the South. The group was made up fifteen 18-25 year olds who were currently unemployed and involved in some form of training.

Perceived Barriers To Mobility

1. Exchange Rate
 - This is viewed as biggest obstacle and most considered that the salary offered in the South would have to be a lot higher than the Northern equivalent to compensate for the exchange difference.
2. Travel/Transport
 - Most would need to rely on public transport
 - Would consider travelling 20 miles to work but no further.
 - Would need to consider the travel costs in line with the salary offered.
3. Education/Qualifications
 - Do not regard the recognition of their qualifications as an issue
 - Most were aware of the Irish Language qualification previously being necessary and believe that it is unfair to expect Northern people to have this qualification.
 - Most would contact the T&EA to see if their qualifications were comparable.
4. Housing
 - Housing considered better in the North and not as expensive as in the South.
5. Access to Benefits
 - Most were unsure what they would be entitled to if they lived/ worked in the South.
6. Taxation
 - None of the group were aware of any taxation differences
7. Vehicle Importation
 - Considered cheaper to buy a car in the South due to the exchange rate.
 - To deal with the issue of importation they would re-register the car.
8. Childcare
 - The Group had the perception that this was better in the North

Concluding Comments

The main perceived barrier to pursuing a job in the South was the exchange difference and the distance involved in getting to the job. In terms of accessing information on the implications of pursuing a job in the South, most stated that they would go to the T&EA or Citizen Advice Bureau for assistance.

(H) FOCUS GROUPS

(ii) Focus Group 2

Background

- This focus group took place in May 2001 in Carrickmacross. 13 people attended whose ages ranged from 26 to 55. The majority of the attendees lived in Carrickmacross.
- The interviewees were a group of people on a “Back to your Future” programme sponsored by the local Vocational Educational Committee. The aim of the programme is to encourage and facilitate the group into full or part time education or training.

Perceived Barriers to Mobility

1. Employment

- None of the group had actually ever worked in the North. They did not appear to be averse to the principle but as they were all either on benefit or tax credits they felt that the extra expense of travel either by car or public transport would be a disincentive. They were unaware that they could source information about employment opportunities in the North from FAS but were aware that FAS operate a clinic in their area on a weekly basis, knowing where and when it was held.

2. Training

- Only one person had experience of training in the North and informed the group that after one week the funding ceased to be available for the programme so it ended. He was very disappointed with this situation and felt somewhat “let down”.

3. Childcare

- The area of Childcare was a major consideration for this group and the discussion around many topics brought us back to the availability of this service. It was felt that in the North there was more attention paid to this area and the group felt somewhat at a disadvantage because this facility was not afforded to them. When they investigated the possibility of attending full/part time education or training they felt the local Partnerships were more flexible around providing funding for childminding than state sponsored bodies. This led them to believe that local bodies were more in tune with “life in the real world”.

4. Transport Services

- The group discussed their location (8 miles from the border) and whether or not this was an advantage in their own particular search for education. It was felt that FAS provided the type of training they were interested in and as they provided transport on a daily basis to their Centre in Dundalk this was a feasible option for the group. They would also be interested in and had investigated Newry College of Further Education for some programmes but again felt disadvantaged by the lack of co-ordinated public transport. Distance learning was investigated and found by the group to be much too expensive to be a realistic option for them.

5. Taxation

- **In relation to tax systems in the North, they were not aware of tax rates in the North or where to obtain National Insurance Numbers if they were to require one. Most felt that the Advice Centres in Dundalk and Carrickmacross would be able to point them in the right direction.**

6. Banking

- The discussion centred on the necessity to change money to carry out any activity in the North. It was felt that the Bureau Exchange was the best place to change money, as they tended not to charge commission. Most felt that the banks were expensive. The group begrudged having to lose out on

the exchange of money but accepted that if they required the use of any services in the North this was unavoidable.

- The instance of paying for swimming lessons for children was used to illustrate the point. These were not available any closer than Newry Swimming Pool and therefore parents felt obliged to avail of the location and carry the extra cost of Sterling.

7. Healthcare

- **A long discussion took place around this area. It was strongly felt that much better services were provided in the North at little or no cost. The group relayed examples to each other of the costs involved in the welfare of sick children and made comparisons between the system in the North and the South. It was emphasised by many of the group that the benefits available to children in relation to medical and dental benefits in the North far exceeded any benefits available in the South. It was felt that the authorities in the North cared more about the welfare of children than their counterparts in the South.**

8. Education

- This was the area the group showed most interest in. They felt that there was little or no need to access programmes in the North as the type of courses they were interested in were available in the general locality. They felt that qualifications were generally recognised both sides of the border. Again childcare issues were raised here with evening course attendance being the only option available to some people anxious to return to work or education.

9. The Political Situation

- The group felt that driving a car with a Southern registration certainly made a difference in the North. They were uncomfortable being stopped and questioned by Security Forces in the North and stated that at certain times of the year they would not venture in to the North. They felt it was important to avoid particular areas altogether especially during the period around the 12th July. One individual relayed the story of a partner who had worked in the North and experienced some good-natured sectarian banter on an on-going basis only to find his lorry burned out by a group from the “other persuasion” one evening.

Concluding Comments

The Focus Group were of the perception that health and childcare services were much better in the North than in the South. However, the political situation was considered a major barrier to pursuing a job offer in the North.

(H) FOCUS GROUPS

(III) Focus Group 3

Background

- This focus group was held in May 2001 at Clones, Co Monaghan. Seven people attended with six being from the South and one from the North. The group's ages ranged from 36 to 55.
- The interviewees were a group of people on FAS sponsored training and included a number of "special needs" clients. They were mostly from the general area and all were aware of the "other" jurisdiction.
- Only one member of the group had actually worked in the North while living in the South and described her experience as enjoyable.

Barriers Encountered

1. Transport

- Transport was a problem for the person from the South who went to work in the North, so a group of the women working in the factory hired a taxi to transport them in/out on a daily basis.

2. Political Situation

- The person who had worked in the North expressed the view that the salary was good and the terms and conditions were also good. However, she mentioned that she and others had been "harassed" in the lead up to Good Friday and had been given a "hard time" coming up to the 12th of July. Overall she felt that the experience had been a good one and the punt/pound differential certainly made it worthwhile.
- Another individual experienced similar bigotry due to her Southern registration plates during a shopping trip to Belfast. She was so unnerved by the incident that she has only travelled to the North by public transport since.
- An individual experienced similar bigotry when his lorry broke down travelling from the South up to Derry. Despite being quite shaken and nervous by the comments made by certain individuals in the area, he went to the RUC station and found the police to be most helpful. They called a mechanic for him and offered to allow him remain there until assistance arrived from Monaghan.
- Other topics that arose in the discussion included the belief that Southern cars were singled out for scrutiny at checkpoints and that unnecessary delays were imposed on them. The interesting aspect to this end of the discussion was that without exception, the whole group felt they would be more comfortable travelling and working in the North now than ever before.

3. Employment

- Most were unaware that they could source information about employment opportunities in the North from the FAS office but felt they could request any information required from their FAS Development Officer with whom they appeared to be very comfortable.

4. Taxation/Social Security

- With reference to obtaining information about National Insurance Number or Taxation/Social Security issues they felt that the "Southern tax people would sort it out" with the Northern authorities.

5. Healthcare

- One participant in particular talked about the availability and expense of medical services in the South. She had lived and worked in both the UK and Northern Ireland. She stated that the level of service was superior in the North and the cost was “exorbitant” in the South. A general discussion ensued about the differences in Child Benefit, Dentistry and Specialist Medical Services on both sides, with the South appearing to lose out in terms of cost and speed/level of service.

6. Education

- The group felt the current situation of paying for school books/lunches etc prohibited Southern children from maximising their potential. However, when they reached a certain level they could complete their education in the North.
- This was the view of the group generally with one member stating that she had completed her education this way. She had travelled to Belfast on a weekly basis to obtain certification level in social studies. She had difficulty in having some of her qualifications recognised in the South.

7. Training/ Recognition of Qualifications

- The husband of one of the interviewees has recently taken up employment in the South and had to complete a course in Cavan to update his skills and knowledge of relevant legislation before being able to practise in the county. He also needed to indemnify his employer on his car insurance which was an added cost. He had felt that the amount of “red tape” and paperwork involved before he could actually take up the job offer were excessive and off-putting.

8. Banking

- A very interesting situation came up where an individual from the South and employed in the South had applied for a mortgage with her husband (who is from the North) for a house in the North. She informed us that she had to sign “over” her entitlement to any claim on the house in the event of a marriage separation or repossession by the mortgage company. She was very angry about this situation but was apparently assured that “there was no way round it” - either she signed or they did not get the mortgage. She told us that she was actually termed “alien” for the purposes of the contract.

Concluding Comments

The Focus Group was of the perception that health and education services were more expensive in the South.

The Group experienced problems in the form of non-recognition of qualifications and banking.

The political situation was considered a major barrier to pursuing a job offer in the North.

Appendix E

Working Papers

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EI – Education and Training

Working Paper

I Introduction

- 1.1 This paper is concerned with the study of obstacles in relation to Education and Training that exist to prevent mobility between the two jurisdictions within the island Ireland and the provision of potential solutions to the obstacles.
- 1.2 The purpose of this Expert Working Paper is to set out in summary form matters of particular relevance in respect of education and training that have arisen as a result of information obtained regarding obstacles to cross-border labour mobility. This working paper should not be used for any other purpose.

II Background and context

Background

Local and European Union Overview

- 2.1 Mobility between the North and South of Ireland has historically been among the highest of any population movement within Western Europe.
- 2.2 Compared with other EU Member States, the possibilities for and realities of cross-border mobility have been relatively high and education and training were important factors in this process. In higher education in particular, cross-border mobility has been substantial. Movement between Ireland and the UK accounted for one of the larger elements in the EU's short term mobility programme for higher education, ERASMUS. For most of the 1990s Irish undergraduates also formed the largest single group of Europeans registered as full time students in UK higher education; of these, one third were studying in Northern Ireland institutions¹(Field 1998, 91). The Open University's success in recruiting in the Southern jurisdiction is well known.
- 2.3 It is important, therefore, to place the barriers to mobility in a context of historically high levels of movement between the two jurisdictions. Many of the barriers that are significant elsewhere in the EU do not exist in respect of the Northern and Southern jurisdictions in Ireland, not least because of the common histories of the education and training systems up to the 1920s. Generally, Irish academic but not necessarily vocational qualifications² have a high level of recognition in the UK higher education sector and amongst certain employers, above all in the Northern jurisdiction. Similarly, UK academic qualifications have a high level of recognition in the Republic. However, again, vocational qualifications are not as widely recognised by employers.
- 2.4 In education, the EU's influence has probably been greatest in higher education. Ireland and the UK have both been prominent players not only in the major student mobility programmes such as ERASMUS, but also in the Commission's research programmes, and this has tended to bring individuals from higher education institutions into regular contact with one another.
- 2.5 While there have been no in-depth studies of the impact of these schemes on higher education within the island of Ireland, external evaluation has found that the EU mobility programmes are generally generating higher levels of mutual awareness and trust across the different national sectors (Teichler 1996³). Flows of students have fluctuated; for much of the 1990s, there was a significant net flow from the South to the UK, much of it to the North; with recent changes in student finance in both jurisdictions, this pattern has altered.
- 2.6 Finally, there has been some cross-border co-operation between schools and teachers within the Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties and other schemes (although anecdotal evidence suggests that a significant proportion of eligible schools do not participate at present in such initiatives).
- 2.7 The Commission has had considerable influence in tackling issues that influence mobility within Europe. Above all, the following have been particularly significant:
- The European Commission's ability to fund vocational training through the Structural Funds has ensured that some publicly funded training programmes share common features across the EU;
 - The Commission has commissioned studies of the comparability of vocational qualifications, enabling the mapping of occupational standards;
 - The European Court of Justice has generally upheld complaints from professionals and skilled workers whose qualifications appear not to have been recognised, discouraging employers and member states from insisting on further (re)training;
 - The EURES employment service has created a group of specialists within the public agencies in both jurisdictions who are aware of career opportunities and requirements in other countries than their own;
 - The Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border

Counties has generated a high level of cross-border co-operation involving teachers, trainers, institutions and the public authorities.

- 2.8 Much has happened in recent years, then, to reduce the barriers to mobility within Europe, and this has had a marked impact on the prospects for mobility between the two jurisdictions in Ireland. However, this is far from suggesting that there are no barriers whatever to mobility arising from the separate education and training systems of the two jurisdictions.

EU legislation – recent developments

- 2.9 Despite the existence of legislation on the recognition of qualifications, and a number of incentive schemes promoting mobility, the actual outcomes within the EU have been generally viewed as disappointing. David Marsden's conclusion in 1993 in respect of the market for skilled labour was that "The forces of convergence are strong, but so is the capacity of national systems to adapt to external pressures and yet retain certain distinctive features" (Marsden 1993, 4).
- 2.10 Subsequently, the European Commission has taken further action to clarify and strengthen the existing law. Directive 1999/42/EC of the European Parliament and of the Council of 7 June 1999 established a mechanism for the application of existing directives on the recognition of qualifications in respect of self-employment and also extended the reach of the existing mutual recognition directives to encompass qualifications gained after short periods of post-secondary training, and made it compulsory for the authorities of the host Member State to recognise educational qualifications without persons with the required skills having to provide evidence of professional experience.
- 2.11 However although Directive 1999/42 has now come into effect, we understand that no member state including Ireland and the UK, has transposed it into national law. The Directive applies to certain occupations and self-employment categories which are regulated by law. It would therefore appear that neither the UK nor Ireland have such occupations/self employments that are regulated by law.
- 2.12 Earlier Directives (89/48/EEC and 92/51/EEC) relating to professional qualifications obtained after periods of post secondary education have been transposed into Irish law and cover approximately 40 professions. A number of these professions refer to teachers from primary to third level. A case in the European Court of Justice (the Groener case) established the State's right to require teachers to demonstrate a competence in the Irish language even where it was not the medium of instruction. While the Court's intention was to allow the member state to protect its national culture, the unintended consequence of this judgement was to impose a de facto barrier on mobility (McMahon 1990⁵). The Department of Education and Science (DES) has recently relaxed this requirement in respect of second level teachers - a development that should contribute to increased mobility in this profession.

III North /South Differentials

- 3.1 The European Commission has itself noted a number of barriers to cross-border recognition of skills and knowledge. First, it has noted that many training activities do not lead to any official recognition or certification. Second, it believes that in certain cases, students encounter real difficulties in either taking exams in the host country, or having them recognised in their own country, or presenting them in their country of origin when they return. Sometimes it is not just difficult but impossible. As a result, the Commission notes that some students may even find themselves having to repeat some or all of the training just completed.
- 3.2 Moreover, the education and training system is itself become more complex. Partly this is a result of the rising importance of lifelong learning, which is now a government priority in both jurisdictions of Ireland but has already become a reality in many firms. Partly it results from the growing use of distributed forms of learning, such as the online services available through bodies such as the Ufl. Increasing attention to skills and knowledge acquired in distributed settings, or even informally within the workplace itself, is a vital means of ensuring labour flexibility and adaptability. However, it is well known that measuring and comparing the skills and knowledge that have been acquired in such settings is extremely difficult. They are therefore often not readily transferable (Field and Spence 2000⁶).
- 3.3 In relation to identifying barriers and blockages to mobility it is useful to detail the educational and training infrastructure within the two jurisdictions and to identify the similarities and differences.

Primary Education

- 3.4 Within the Southern jurisdiction compulsory primary education begins at age 6. However 65% of 4 year olds and most 5 year olds are already enrolled in primary schools. The primary cycle concludes at age 12. Within the Northern jurisdiction compulsory primary education begins at 4 and concludes at 11. One initial pertinent detail is the greater subsidy provided within the Northern jurisdiction to parents in relation to school resources compared to the Southern, which anecdotally, for lower income parents within the North, was described as a barrier to availing of Southern education.
- 3.5 To illustrate a barrier that the non-synchronisation of the primary systems can cause, consider the case of the permanent relocation of a Solicitor from Dublin to Belfast. His son was 11 and was faced with the 11 plus transfer system within the Northern jurisdiction. However, he still had one year to complete on the Southern primary curriculum. The son had to undertake an evaluation test by the Department of Education, which forced the Solicitor to pay for expensive private tutoring of his son to cover the differences in the curriculum. This was followed by extensive personal negotiation with the Headmaster of the local grammar school in relation to admission. Anecdotal evidence suggests there appears to be little difficulty transferring jurisdiction when primary education is completed, with some border families having children in secondary education in both jurisdictions but transferring before can be a barrier in relation to curricula and also the 11 plus transfer system.

Secondary Education

- 3.6 Secondary education within the Southern jurisdiction starts with a junior cycle lasting 3 years, concluding with the award of the Junior Certificate at age 15. The core subjects are Irish, English, mathematics, a science or technological subject and, additionally, three other subjects. Within the Northern jurisdiction Irish is not on the curriculum of state schools at either primary or secondary level. Anecdotal evidence suggests that undertaking Irish within the Junior Cycle may be a barrier to mobility to some sections of the Northern jurisdiction.
- 3.7 The senior aspect of the Southern Cycle is the Leaving Certificate that lasts 2 years. Subjects are available at either the higher or ordinary levels. Normally students study between six and nine subjects, in addition to physical education and religious education. The Northern equivalent to ordinary level Leaving Certificate are GCSEs that are taken at 16, with core subjects including English, Mathematics and Science. Normally 6-10 GCSEs are undertaken.
- 3.8 There is no body within either jurisdiction that will officially quantify how the ordinary level Leaving Certificate and GCSEs map across against each other. A body such as the Northern Ireland Council for Curriculum, Examination and Assessment will only provide guidance, which cannot be deemed official.

Custom and practice dictates that an A-C in the ordinary level Leaving Certificate is the equivalent to an A-C in GCSE English etc and this is widely recognised in both jurisdictions. However, anecdotal evidence suggests that employers within both jurisdictions, when the mapping against process becomes more convoluted are more likely to employ someone whose qualifications they recognise.

Vocational Training / Qualifications

- 3.9 Another issue of relevance concerning North/South mobility relates to vocational training. Both jurisdictions have traineeships and apprenticeships but accreditation and recognition issues can create obstacles to mobility.
- 3.10 In the North, the traineeships last up to two years and result in an outcome of National Vocational Qualification (NVQ) Level 2. The students participate full time, and the traineeship incorporates a work placement element and off the job training at an FE college. The students receive a training allowance as they are not yet in employment. A similar traineeship system exists in the South linked to off the job training at Regional Technical Colleges and this has traditionally resulted in qualifications that are broadly equivalent to City & Guilds Qualifications in the North.
- 3.11 There is access for individuals from the North to traineeships in the South and vice versa. It was the case previously that an accommodation address in the jurisdiction was a requirement for access to training in the other jurisdiction. This requirement has now been removed as a result of consultation between DEL and FAS. Consultation with FAS, DEL and EURES advisors in the border regions during the course of this study suggested that the removal of the accommodation address requirement had resulted in an increase of individuals from the Southern border counties commuting to access training in the North. The issues that exist and which have the potential to impact on mobility are related to the training allowances. All allowances are linked through EU law to residency, so a trainee from the South accessing a traineeship in the North will not be entitled to the relevant maintenance allowances and vice versa. In border regions if a trainee in the North cannot find a suitable work placement in the North, they can be placed with an employer over the border in the South and continue to access their off the job training and training allowance in the North.
- 3.12 The apprenticeship systems in both jurisdictions are employer-linked and standards-based (i.e. not based on time served). The support for the employee⁷ undertaking the apprenticeship is linked to the location of the employer i.e. there are no training allowances. The Modern Apprenticeship system in the North leads to the attainment of an NVQ and the Apprenticeship system in the South leads to the attainment of a National Craft Qualification. In effect, the location of the employer drives the funding, process and outcome of the apprenticeship. A young person from Dundalk but employed in Newry would receive an NVQ as the outcome and similarly a young person from Newry but employed in Dundalk would receive a National Craft Qualification as the outcome.
- 3.13 There is a route for accreditation of prior learning to facilitate the transfer of an individual between the two systems, before the apprenticeship is completed, but it is both cumbersome and complex, and may be an obstacle to mobility. This was illustrated by a company included as a case study operating in the construction sector on both sides of the border. This company reported difficulties relating to part qualified candidates on the apprenticeship system in the South who moved to the Northern site to work and who were unable to slot into the NVQ system part-way through. In theory this should be possible in that there is a process for accreditation of prior learning, but the process is both bureaucratic and complex. It is possible that this company was either not aware of the process for prior accreditation or that it was too difficult a process to pursue.
- 3.14 In terms of awarding bodies for vocational training there are structural differences between North and South. In the North there are over 70 awarding bodies for NVQs in the North and a much more centralised system in the South with only one or two awarding bodies for the respective qualifications. The recently established National Qualification Authority of Ireland (NQAI), whose remit is to liaise with international bodies to facilitate the recognition of qualifications, is well placed to address cross-border issues, with a view to improving mobility.
- 3.15 In addition to the issue of access to the training elements of the vocational systems North and South, it is important to focus on the mutual recognition issues with employers. The mutual recognition of NVQs from the North and the respective Southern qualifications is becoming an issue in the context of North/South

labour mobility. In addition it was highlighted by one consultee that there is a lack of official information on the subject. This is well illustrated by the visit of the Bricklayers Union from Dublin to Newry College of Further and Higher Education to gain clarification on construction NVQs. This was prompted by the number of young recently Northern qualified apprentices working on Dublin building sites.

- 3.16 There has been recent progress in mutual recognition in areas where particular demand and interest (e.g. plumbing, electrical, toolmaking qualifications) stimulated co-operation (involving unions, employers, DEL/FAS and curriculum bodies) to achieve recognition. It is fundamental to recognise in this context that there is an East-West as well as a North/South dimension. For GNVQs the CCEA in Northern Ireland has control, but for NVQs the Qualifications Curriculum Authority in the UK is the key body. Therefore, any progress to achieve mutual recognition of qualifications needs to have an East-West as well as a North/South dimension. FAS and DEL can work to facilitate and influence mutual recognition of vocational qualifications but are not the only parties involved.

Higher Education

- 3.17 The Higher level Leaving Certificate has its Northern equivalent in A Levels where normally three subjects are studied in greater depth than at GCSE level. In relation to the equivalency of qualifications and points required, institutes in both jurisdictions have their own standards. There appear to be no problems in qualification recognition by Universities within either jurisdiction, but with significant change occurring in the post-16 education system in the Northern jurisdiction with Curriculum 2000 Qualifications, this may, to an extent, increase the complexity of the process of qualification recognition.
- 3.18 In relation to fees and grants, Northern students in the Southern jurisdiction are treated as EU citizens and receive the same entitlements as Southern students by getting their fees paid. However, within the Northern jurisdiction, payment of fees is means tested, which may be a potential financial barrier.
- 3.19 At entry level, graduate recruitment is increasingly cross-border. This can be witnessed in the number of UK firms who attend careers fairs in Irish higher education institutions, and the number of Irish firms who do likewise in Northern Ireland. An example of the mobility of graduates is the alumni of the University of Ulster Postgraduate Diploma in Information Technology in June 2000. Since the graduation, individuals now have jobs in locations including the Northern jurisdiction, Southern jurisdiction, Canada, USA, Germany and Australia. Among the most skilled and best educated, barriers to mobility are extremely low. Within the European Union, the majority of individuals moving from one member state to another, are aged 16-30 but especially aged 21-25. Anecdotal evidence would suggest that the core of this highly mobile group are graduates.
- 3.20 Here, the problem for employers is not in identifying individuals who possess the necessary education and training, but rather in persuading them to move to a new position. Executive search agencies in both jurisdictions exist expressly in order to headhunt appropriate individuals, usually from within the jurisdiction.

Professional Qualifications

- 3.21 Within the remit of professional bodies and the recognition of qualifications awarded within the other jurisdiction the professional bodies have significant discretion. There appears, in relation to the recognition of qualifications awarded within the other jurisdiction, to be a general level of recognition and ease of re-registration but also some significant examples of non-recognition and hence obstacles to mobility.
- 3.22 An important example of inconsistency is evident within the health sector. Registration/accreditation of nursing, medical and PAMs (Professions Allied to Medicine) is carried out in the two jurisdictions by separate bodies that often have different sets of requirements. Similarly, undergraduate and postgraduate training is organised and accredited by different bodies in the two jurisdictions and in many instances reciprocal recognition does not exist. All of these issues clearly impact on mobility, short-term secondments and cross covering arrangements in border regions. Medical doctors who have qualified within the Northern jurisdiction cannot practise in the South, whereas for nurses there is an easier process of re-registration from North to South and vice-versa.
- 3.23 Inconsistency can surround the practical implementation of EC Directives and demonstrate the difficulty surrounding the law of mutual recognition. An example of this is the 'Qualified Person' requirements as

stated in Article 31 of Directive 81/851/EEC which determine the requirements to be a licensee for the quality assurance of veterinary medicine manufacture, in order to permit the release of licensed pharmaceuticals onto the market.

- 3.24 One of the individual case studies related to a Quality Manager from the Northern jurisdiction who achieved his training linked to the Royal Society of Chemistry. However, upon joining a veterinary medicine manufacturing company in the Southern jurisdiction, his qualifications/experience were not recognised by the Irish Medicines Board due to the different outputs of the study routes i.e. Royal Society of Chemistry Certificate versus postgraduate Diploma in the Southern jurisdiction. This was despite the same syllabi and standard of assessment. The Quality Manager undertook a two-year exercise to have his qualification recognised by the Irish Medicines Board via contact with his professional body (Royal Society of Chemistry), the European Commission, DEL and finally the Minister for Health and Children in the South, whilst still having to retrain.
- 3.25 Even among those with established skills, unemployment is in itself a potential barrier to mobility. It is usually assumed that removing obstacles to mobility in the external labour market will help reduce unemployment. Anecdotal evidence by unemployed persons within the border areas recognised that a number of financial factors had to be evaluated by the individuals before undertaking work or residence in the other jurisdiction and recognition of qualifications was generally a secondary concern.
- 3.26 The belief is that as the unemployed will be able to take up opportunities across the border that do not exist in their own locality, they will be among the more mobile. Studies of redundant and unemployed workers do not support this. Detailed studies in the steel, coal and port transport industries in England and Wales, for example, show that many redundant workers are consigned to long-term unemployment because employers are wary of hiring a worker that another firm does not want (Turnbull and Wass 1997⁸).
- 3.27 Leisure travel within the island faces relatively few barriers of an educational and training nature. Much is done within the education systems to inform pupils and students of the features of the island; frequently, the curriculum of Northern jurisdiction schools will also incorporate aspects of the wider UK picture, but it is also true that there is a general trend towards convergence in the primary and secondary curricula in both jurisdictions. There is evidence in adult education of a growing interest in what might loosely be called Irish Studies. Informally, the growing trend towards multi-channel broadcasting is reducing existing patterns of segregated use of television and radio along the lines of national jurisdictions, but within an overall trend towards much greater individualisation of media usage.

Perceived barriers

- 3.28 Perceived barriers have substantially reduced the attractiveness of the North's higher education institutions in recent years. Within the University of Ulster, for example, students from the Republic during the 1990s were found overwhelmingly in Magee College and at the Coleraine campus, rather than at Jordanstown (which is on the outskirts of north Belfast). Equally, the extent of perceived hostility towards Protestants in the border areas of both jurisdictions has substantially limited the prospects of cross-border study at third level institutions within a reasonable travel-to-learn distance. Anecdotal evidence would suggest this is a contributory factor in relation to relatively low numbers of Northern students attending Southern border technical colleges e.g. Letterkenny, Sligo and Dundalk.
- 3.29 Perceived barriers are therefore highly significant. Moreover, because they are firmly rooted in culture and values, the problem is not easy to resolve.

IV Conclusion

- 4.1 It is important not to overstate the capacity of education and training to promote mobility, as against the weight of other factors. For workers, migration is an investment which involves non-recoverable costs, some of which are potentially substantial disincentives. A series of studies of North/South mobility in Britain and Italy have, for example, found that housing price differentials are a notable factor in explaining changing patterns of migration (Cannari, Nucci and Sestito 2000⁹). A second notable factor is not only whether mobility brings about income differentials, but whether workers' expectations are of the same (or greater) differentials in the future (Bosco 1999¹⁰). Despite these limits, it is clear that education and training may potentially contribute significantly towards enhanced mobility, both among the employed and among those who are not in the labour market.
- 4.2 Contacts among schools have grown rapidly in recent years. The challenge here is both to broaden the range of schools involved, and to manage collaborative arrangements to secure added value. This may involve mapping common curriculum elements and developing common learning resources. Also schools inspection regimes differ between the two jurisdictions, but again show some common features as a result of a shared history, and may form the basis for some cross-border co-operation. Responsibility for these processes, if undertaken, would lie with the respective Departments of Education.
- 4.3 There are some well-established cross border linkages in teacher training arising from joint participation in trans-European networks, from external examiner positions, and from joint participation in the Educational Studies Association of Ireland (ESAI), which has always been organised on an all-Ireland basis.
- 4.4 In the realm of vocational training, there are a number of issues impacting on mobility due to the differing structures, processes and outcomes arising from the traineeships and apprenticeships provided in both jurisdictions. The issues relating to traineeships are less about access to provision 'across the border' and are linked to the provision of training allowances that are linked to EU law through residency. There are also issues relating to the ease of accreditation of prior learning for an apprentice who is seconded or transferred part way through their qualification to work in the other jurisdiction. The mutual recognition of vocational qualifications is becoming an issue in terms of North/South labour mobility and progress has been made in three areas where particular demand and interest (e.g. plumbing, electrical, toolmaking qualifications) stimulated co-operation on a North South and East-West basis (involving unions, employers, DEL/FAS and curriculum bodies) to achieve recognition. This progress provides a foundation for further work to expand mutual recognition of the outcomes of vocational training in other subject areas.
- 4.5 In both the North and the South, there is a clear legal basis at an EU level for the mutual recognition of qualifications. However, no member state, including Ireland and the UK, has transposed this into national legislation in a manner that overcomes all the difficulties experienced by persons seeking to move across borders to practise their professions.

Endnotes

- ¹ Field, J. (1998) *European Dimensions: education, training and the European Union*, Jessica Kingsley, London
- ² Vocational qualifications in this context encompass traineeships and apprenticeships
- ³ Teichler, U. (1996) Student mobility in the framework of ERASMUS: findings of an evaluation study, *European Journal of Education*, 31, 2
- ⁴ Marsden, D. (1993) Skills and the Single European Market, *Skills Focus*, 2.
- ⁵ McMahon, B.M.E. (1990) Case Law 379/87, *Groener v Minister for Education and the City of Dublin Vocational Education Committee*, *Common Market Law Review*, 27
- ⁶ Field, J. and Spence, L. (2000) Informal Learning and Social Capital, in F. Coffield (ed.), *The Necessity of Informal Learning*, Policy Press, Bristol.
- ⁷ At this stage the individual is an employee of a company who support them on the apprenticeship.
- ⁸ Turnbull, P. and Wass, V. (1997) Job Insecurity and Labour Market Lemons: the (mis)management of redundancy in steel making, coal mining and port transport, *Journal of Management Studies*, 34, 1
- ⁹ Cannari, L., Nucci, F. and Sestito, P. (2000) Geographic labour mobility and the cost of housing: evidence from Italy, *Applied Economics*, 32, 14
- ¹⁰ Bosco, L. (1999) Employment illusion, variable costs of migration, and labour mobility, *Labour*, 13, 3

EII – Employment Law and Recruitment Practices

Working Paper

I Introduction

- 1.1 Employment law is a dynamic area which is in a constant state of flux with new developments in legislation and case law continuously arising.
- 1.2 *The purpose of this Working Paper is to set out in summary form matters of particular relevance in respect of employment law and recruitment practices that have arisen as a result of information obtained regarding obstacles to cross-border labour mobility. This working paper should not be used for any other purpose.*

II Background and context

Background

- 2.1 Historically, the last thirty years have been the most productive period for employment law on this island. There are two main reasons why this burgeoning area has retained close similarity either side of the border - the historically close relationship and membership of the European Union.
- 2.2 The close links between the South and the United Kingdom have led to the establishment of legal enactments, procedures and case law similar to that of the North. For instance, in 1967 the South passed its first major piece of employment protection legislation, the Redundancy Payments Act. In the North, similar legislation had already been passed in 1965. These two enactments illustrate the similar development of employment law in the two jurisdictions.
- 2.3 This commonality of approach, based on the strong political, social and legal links between the two States, was further enhanced in 1972 through membership of the European Union. In the intervening years, membership of the EU represented a new source of law and consistency in approach across national boundaries.

European Legislation

- 2.4 The years that followed produced a rapid evolution of Irish employment law. Thus, for instance, a profusion of legislation in the form of EU Directives operates either side of the border and is interpreted by the European Court of Justice and domestic courts and Tribunals. This has created a situation where broadly similar rules and regulations on many employment law areas exist. For example, issues like equality of opportunity, providing contracts of employment, freedom of movement between Member States, entitlement to annual paid leave and various family friendly policies have had a tremendous impact on the nature of employment practices on either side of the border.
- 2.5 However, where such EU legislation is implemented on a domestic level, there are often discrepancies between the two jurisdictions in the finer detail. As we shall see this phenomenon may not by itself be enough to create a barrier to mobility but it is the impact upon employers and employees in workplaces across Ireland that must be examined to see if they have experienced or perceived any such barriers.
- 2.6 Undoubtedly, membership of the European Union has greatly influenced employment law in all Member States. The hallmark of this period has been the increased need for employment protection for workers. Both jurisdictions have provided for a safety net of legislation relating to such issues as statutory minimum notice, written terms and conditions of employment, equal pay and equal treatment between the sexes, collective consultation under redundancy and transfer of undertakings legislation and protection against unfair dismissal.
- 2.7 In addition, before the 1990s, both jurisdictions also had provision for guarantee payments in cases of employer insolvency, statutory maternity leave and rules on the format of the payment of wages. However, it has been the last ten years which has generated the greatest increase in new employment law. In the North, this growth is largely due to the emergence of the Labour Government in the UK and the impact of the European Union Social Charter. On a similar level, the latter has had tremendous impact upon employment law in the South, with a greater eagerness to embrace it than in the United Kingdom.
- 2.8 The Treaty of Rome enshrined a number of basic principles in the legal system of each jurisdiction. The freedom of movement of workers combined with the Posted Workers Directive ensure that EU employees are given complete access to work anywhere within the European Union with their employment rights intact. The Treaty also underscores the principle of equal treatment which has flourished in scope under the European Court of Justice. The Social Charter is responsible for several legislative developments such as in the areas of working time, parental leave, transfer of undertakings and equality of opportunity.
- 2.9 The following section deals with the main employment law areas affecting individual entitlements. Each sub-section commences with an overview of applicable legislation currently in force and the paper concludes with a section summarising the main points arising from the comparative analysis.

III North/South Differentials

Contracts of Employment

Table 3.1 Contracts of Employment (Temporary and Part Time Employment)

	<i>The North</i>	<i>The South</i>
	<ul style="list-style-type: none"> ■ Employment Rights (NI) Order 1996 ■ Employment Relations (NI) Order 1999 ■ Part-Time Workers Regulations (NI) 2000 	<ul style="list-style-type: none"> ■ Worker Protection (Regular Part-time Employees) Act 1991 ■ Terms of Employment (Information) Act 1994
3.1	Both jurisdictions require employers to provide specific information in writing to employees in line with EC Directive 91/533/EEC in relation to the terms and conditions of their employment. This Directive was implemented in the South through the Terms of Employment (Information) Act 1994 which applies to employees who work over eight hours a week and have been in employment for one month. In the North, the information must be given, at the latest, after two months of continuous service but there is no distinction between part-time or full-time employees who are entitled to receive it (Employment Rights (NI) Order 1996).	
3.2	As regards the content of the information both jurisdictions require the same type of information to be recorded (i.e. name and address of employer, place of work, job title, date of commencement, remuneration details, holiday, sick pay, pension, notice period, information on collective agreements). Unlike in the North, the statement of information must be signed and dated by the employer in the South but, like the North, the employee must be advised within one month of any changes to the statement of terms and conditions.	
3.3	Similarly, both jurisdictions require additional information to be provided where each employee works outside the respective jurisdictions for over one month. This information principally relates to details of remuneration and how it will be paid while the employee is outside the country. Accordingly this obligation will arise every time an employee is sent to work on the other side of the border. In practice, an employer will still apply the same terms and conditions of employment, although they will usually have to make alternative arrangements as to the means of providing remuneration into a bank account in the new location, particularly if the relocation is for a long-term period.	
3.4	For all intents and purposes the information required to be given by employers is almost identical between the two jurisdictions. This even extends to the implied terms provided by way of common law and statute including the implied duties of confidentiality and loyalty resting with the employee. Similarly, equality legislation North and South implies a contractual clause ensuring equal pay and equal treatment for every employee.	

Temporary and Part-time Employment

- 3.5 Part-time employees in the North are now afforded the same rights and statutory protection as provided to full-time employees. This is a fairly recent development with the inception of the Part-time Workers Regulations (NI) 2000. In the South the Worker Protection (Regular Part-time Employees) Act came into operation in 1991 and provides for specific rights and protection to those part-time workers who normally work at least eight hours per week.
- 3.6 As regards casual workers and those employed on zero hour contracts, there is a greater level of protection available in the South to employees in terms of providing a minimum amount of pay, or hours, depending on the nature of the employment relationship. Thus, for example an employee in the South is entitled to receive the lesser of 25% of the contracted hours or fifteen hours pay if he has not been required to work at all in any week. There is no similar pecuniary safety net in the North for casual employees.
- 3.7 Directive 97/81/EEC outlines the Framework Agreement on part-time work which was agreed between the EU States on the 6th June 1997. The Framework Agreement set out to provide for the removal of

discrimination against part-time workers and to improve the quality of part-time work. The implementation of the Directive in domestic law in the two jurisdictions has enhanced and harmonised the rights of part-time workers throughout the island. The EU Directive concerning the posting of workers (Directive 96/71/EC) was adopted to cover the temporary posting of workers employed in one Member State, under a contract regulated by that Member State, to a second Member State where the work is actually carried out. The purpose of the Directive is to remove obstacles to the freedom of movement of workers. Thus, the State where the posted worker is sent must provide specific minimum standards under its labour law to the posted worker but it is allowed to derogate from these standards or indeed to exclude the posted worker from them, as it may decide.

- 3.8 Therefore, an employee who is seconded across the border from his/her home country may retain a contract of employment that is still subject to the home Member State's law. If the worker does not have the benefit of such a contract and their employment is terminated whilst ordinarily working outside their home State, then that employee may have the right to bring a claim in their home court against his employer only for breach of contract. The worker will have no statutory employment rights in this case because at the time of dismissal the employee worked wholly or mainly outside their country. However, due to the Posted Workers Directive they will have the legal right to enforce similar statutory employment rights in the host State. These provisions could be relied upon, for instance, in an industrial tribunal in the North by an Northern citizen working in the South if their contract is deemed to be governed by Northern law.
- 3.9 Member States are obliged to ensure that whatever the law applicable to the employment relationship, the undertakings in their jurisdiction must guarantee workers posted to their territory a minimum level of protection. The following terms and conditions are among the information that must be provided in the Member State where the work is carried out: maximum work period and minimum rest periods, minimum paid annual holidays, minimum rates of pay, health and safety and equality of treatment.
- 3.10 The North and South are both currently required to implement the EU Directive on fixed-term contracts which sets out to improve the quality of fixed-term work through the principle of non-discrimination and to prevent abuse arising from the use of successive fixed-term employment contracts. Therefore, fixed-term workers on either side of the border will be subject to statutory protection as regards equality of treatment. One of the measures already established in the North is that employers are not able to contract-out of employment protection legislation by preventing unfair dismissal claims for those engaged on successive fixed-term contracts (Employment Relations (NI) Order 1999). Other measures will have to be implemented in both countries to meet the requirements of the Directive.
- 3.11 Overall, this area of employment law is rife with examples of identical legislation, principally arising from the impact of EU law and the common approach adopted by the respective governments in implementing this legislation. The high level of harmonisation removes any barriers to mobility for full-time workers. However, there is a notable disparity in the specific area of casual employment with a greater level of protection conferred on casual workers in the South who are generally guaranteed some measure of pay unlike their counterparts in the North.

Minimum Wage Differentials

- 3.12 The National Minimum Wage Act 1998 sets the Northern rate which currently stands at £3.70 per hour (from October 2000). This is set to increase in October 2001 to £4.10 per hour. The following year will see an increase of 10 pence to £4.20 per hour (October 2002). The age rate for 18-21 year olds is currently £3.20 per hour.
- 3.13 The Minimum Wage Commission in the South, established in July 1997, set a rate of £4.40 per hour effective from April 2000 (the relevant Southern legislation is the National Minimum Wage Act 2000). There are various rates in the South for trainees and those under 18 years old. The full adult hourly rate of £4.40 applies to 2 years from the date of first employment over 18 years or 2 years after continuation of employment and 18 years. Thus, the earliest stage that an adult worker can get £4.40 per hour is 20 years of age. This rate is set to increase as of 1 July 2001 to £4.70 per hour and in 10 October 2002 to £5.00 per hour. There appears to be close correlation between the North and the South in terms of national minimum wage rates.

Organisation of Working Time

Table 3.2 Legislation applicable to the organisation of working time

	<i>The North</i>	<i>The South</i>
	<ul style="list-style-type: none"> ■ Working Time Regulations 1998 ■ Shops (Sunday Trading) (NI) Order 1997 	<ul style="list-style-type: none"> ■ Organisation of Working Time Act 1997
3.14	<p>The Organisation of Working Time Act 1997 together with Regulations made under the Safety, Health and Welfare at Work Act 1989 implements Directive 93/104/EC in relation to the provision of a forty eight hour week, annual paid leave and regular rest breaks in the South. The 1998 Working Time Regulations implement the same Directive in the North. This Directive is essentially a health and safety measure based on Article 118 of the EC Treaty which provides that “Member States shall pay particular attention to encouraging improvements especially in the working environment, as regards the health & safety of workers, and shall set as their objective the harmonisation of conditions in this area”.</p>	
3.15	<p>In essence, the effect of the Working Time Directive as it has been implemented domestically in both jurisdictions is to introduce the following rights:</p> <ul style="list-style-type: none"> ■ A maximum average working time of forty-eight hours; ■ weekly rest break of twenty-four consecutive hours; ■ daily rest period of eleven consecutive hours; ■ regular rest periods at work; and ■ a maximum average of eight hours night work. 	
3.16	<p>The introduction of these measures in the South was staggered between March 1998 and March 2000 while in the North the law became operational for most sectors in November 1998. Authorities in the South issued a Code of Practice on this area, published by the Labour Relations Commission in consultation with various interested parties. Similar guidance was issued in the UK by the Department of Trade and Industry and subsequently by the Department of Higher and Further Education, Training and Employment in the North. The publications set out examples for employers in calculating if insufficient rest periods are being provided and to avoid exceeding the forty eight hour week limit.</p>	
3.17	<p>As regards workplace rest periods the provision in the South is for a break of at least fifteen minutes every four and a half hours worked while the equivalent provision in the North is for a break of at least twenty minutes every six hours. The Southern provision extends so that an employee is not allowed to work a period of more than six hours without a break of at least thirty minutes. Shop employees in the South are given an additional entitlement so that where their hours of work include the period from 1.30 pm to 2.30 pm they shall, after six hours work, be allowed a break of one hour which must commence between those hours. There is no such provision for shop workers in the North.</p>	
3.18	<p>In the South those employees who are required to work on a Sunday are required to be compensated, if this is not already taken into account in their pay by, for example, the payment of a reasonable allowance, by increasing the rate of pay or granting the employee reasonable paid time off. There are other specific regulations for those employees in the North who are requested to work on a Sunday (as per the Shops (Sunday Trading) (NI) Order 1997).</p>	
3.19	<p>The Working Time Regulations 1998 provides for specific avenues circumventing some of the regulations, particularly in regard to the forty eight hour week limit. In calculating when an employee is exceeding this limit, the reference period used is seventeen weeks in the North compared to four months in the South, or for those employed in specific sectors, six months (e.g., sales people, security industry, hospitals, airports etc). Certain sectors were initially excluded from this particular provision on both sides of the border (e.g. those working in the transport sector) but these categories will eventually be removed in line with EU law.</p>	

Employers and employees can agree by way of a collective agreement or an opt-out agreement to work specific hours with agreed rest periods. The Labour Court in the South must be satisfied that such a collective agreement is appropriate under the Working Time Directive before issuing its approval. Collective agreements established in the North do not have to meet the approval of any statutory body. This is the case throughout the UK where there is a greater preference for non-intervention in industrial relations.

- 3.20 In brief, there is a considerable amount of commonality, North and South, with some relatively minor variances in areas such as rest breaks and calculating the reference period for the weekly working hours. More significantly, there is a more active role taken by the judicial system in validating collective and opt-out agreements in the South than in the North. In addition, shop workers also receive a better level of entitlement in respect of daily rest breaks in the South. It is extremely doubtful whether any of these differences have actively prevented people from going to work in the other jurisdiction.

Family Friendly Policies

Table 3.3 Legislation relevant to family friendly policies

<i>The North</i>	<i>The South</i>
■ Employment Relations (NI) Order 1999	■ Maternity Protection Act 1994
■ Employment Rights (NI) Order 1996	■ Adoptive Leave Act 1995
■ Maternity and Parental Leave (NI) Regulations 1999	■ Parental Leave Act 1998

- 3.21 The above legislation implements EC Council Directive 92/85/EEC (the Pregnant Workers Directive and the Parental Leave Directive, 96/34/EC). In short, both jurisdictions provide for broadly similar entitlements to workers in respect of maternity, adoptive and parental leave. However, there are subtle differences in the mechanics of how each legal system provides these basic entitlements.
- 3.22 In respect of Parental Leave both jurisdictions introduced a cut off point for entitlement under the legislation. For example the Irish Government stated that parents with children born before 3rd June 1996 were excluded from the right to take parental leave while in the North and Great Britain the respective cut-off date was 15th December 1999. Subsequently, such cut-off points have been legally challenged as being unlawful and outside of the scope of the Directive.
- 3.23 Accordingly, parents in the South received a more generous entitlement in terms of an additional three years age scope. This begs the question of whether this issue alone would prevent parents resident in the South moving to work in the North and losing out on such a relatively minor right to what is currently unpaid leave. It is reasonable to suppose that certain parents in the South would be effected if they became employed on contracts subject to Northern law as they would be disadvantaged when their children were born before 15th December 1999 but after 3rd June 1996. The extent of this scenario is difficult to determine but conversely it is equally difficult to determine how many parents in the North would not be discouraged from taking up employment in the South to avail of the more generous entitlement.
- 3.24 Nonetheless, perhaps these points will be rendered academic in due course as the European Court of Justice is likely to rule that the cut-off date in the North is unlawful, as it has already done with the equivalent in the South. As a consequence, both jurisdictions may end up with a situation where parental leave is available to all irrespective of the birth dates of the relevant children. Ironically this would serve to meet the original goal of the Parental Leave Directive.

Equality and Recruitment

3.4 Legislation applicable to Equality and Recruitment

The North

- Fair Employment and Treatment (NI) Order 1998;
- Disability Discrimination Act 1995
- Race Relations (NI) Order 1997
- Sex Discrimination (NI) Orders 1988 and 1976
- Gender Reassignment Regulations (NI) 1999

The South

- Employment Equality Act 1998
- Equal Status Act 2000

- 3.25 The Employment Equality Act 1998 provides for nine grounds of discrimination to include gender, marital status, family status, sexual orientation, religion, age, disability, race and membership of the travelling community. Discrimination in the South is defined along the same lines as discrimination in the North, i.e. where one person is treated less favourably than someone else on one of the stated grounds. However, in the North there is no legislation regarding discrimination on sexual orientation or age discrimination save for that contained in EC legislation although there is protection against discrimination for transsexuals. EC Directives 75/117/EEC and 76/207/EEC deal with equal pay and equal treatment between the genders and the Courts have applied legislation to prohibit discrimination on the grounds of sexual orientation in the UK, primarily within the public sector. A new European Union Directive on Equal Treatment has recently been drafted and seeks to offer protection to workers against discrimination on the grounds of age, disability, race, religion and sexual orientation in the workplace. Under the Commission proposal, Member States have three years to implement the instrument into domestic law once it has been formerly adopted.
- 3.26 Both jurisdictions share similar legislative provisions outlawing discrimination in recruitment practices on the above mentioned grounds. As a result employers all over Ireland must be careful in how they go about recruitment in terms of advertising, interviewing and selecting employees. A recent cross-border study carried out by the four Health Boards embracing the border, surveyed twenty five members of staff who crossed the border to work with a view to highlighting cross-border obstacles to mobility. For those living in the North and working in the South the advantages perceived were:
- Equivalent jobs attract a higher salary in the South;
 - Higher tax free allowances exist in the South;
 - Good travelling expense rate provided in the South;
 - Lack of bureaucracy in the legal system in the South;
 - Staff could remain eligible for benefits if living in the North including free healthcare provision, better education grants and facilities and lower cost of new cars, tax and insurance; and
 - A more relaxed working environment was perceived in the South.
- 3.27 On the other hand the following perceived disadvantages were outlined as including:
- Winter weather;
 - Initial problems in sorting out child benefit; and
 - higher taxation.
- 3.28 Overall, it was perceived that the higher rate of tax in the South is compensated for by the higher rates of pay and tax-free allowances. It was noted that there is a general lack of information available to those who

wish to cross the border to work in terms of taxation, future applications for pension entitlement and banking facilities.

3.29 The following perceived advantages of living in the South while working in the North were disclosed:

- There is a more developed Health Service in the North;
- People have the advantage of free health care in the North;
- There is the benefit of retaining the perceived security of living in the South;
- Cost of living in the North was perceived to be cheaper;
- Child benefit payable from the South is brought up to the Northern rate by the European Union; and
- There is a lower tax rate in the North;

3.30 Among the perceived disadvantages of working in the North while living in the South were:

- Double taxation;
- Equivalent jobs are less well paid;
- Poor roads, particularly in the winter;
- Financial loss in changing currency;
- Cannot avail of less expensive new vehicles in the North due to the legislation in the South;
- Health care provision in the North is only available to those in employment with residents in the South missing out upon retirement or termination of employment;
- Perception and attitude of others as being an “outsider”.

3.31 It was further noted that pension entitlement in respect of superannuation could not be transferred across the border. Overall, citizens in the South working in the North found that there were no real perceived differences between working North and South.

3.32 Despite the legislative similarities between the two jurisdictions, the remedies available in the North go further in terms of compensation than in the South. Individuals are more proactive in taking cases against employers in the North and these are considerably more applications on the grounds of discrimination in the North than in the South. In the North, applications to the Fair Employment Tribunal and the Industrial Tribunal have dealt with an ever-increasing workload with compensation awards and settlements totalling millions of pounds in the last ten years. There is no limit on the amount of compensation that a tribunal in the North may award for a successful complaint of discrimination occurring in the workplace. In contrast, the equivalent bodies in the South are limited to awarding two years remuneration by way of compensation (or three years in respect of equal pay claims). However, in respect of discrimination concerning applications for employment there is a maximum limit of compensation set down in the South of £10,000. Limits in equal pay claims can be avoided by going to the Circuit Court so that pay awards are limited to six years arrears.

3.33 As a consequence of the high level of claims in the North coupled with heavier compensation awards to claimants and the political sensitivities surrounding complaints of religious discrimination, employers are more cautious in their recruitment practices. Employers in the North are compelled to apply the principles set down in law and also in various Codes of Practice issued by the statutory bodies formally established under anti-discriminatory legislation, subsequently amalgamated into the Equality Commission in the North. The policing role of the Equality Commission, who advise and support claimants among other functions, further enhances the impact of equality legislation in the North. In effect, it is not regulated to the same extent in the South where employers find it easier to recruit candidates on the basis of unsolicited information provided by way of CVs in recruitment practices which are not regulated as they are in the North.

- 3.34 The high number of successful claims in the North have led to several high profile cases against both private and public sector employers. The perception is that recruitment in the North is more closely policed and that employees and job applicants are proactive in asserting their legal rights. There have been several cases in recent years in the North concerning admission to the civil service by citizens from the South. However, while article 48 of the EU Treaty enshrines the principle of freedom of movement it also provides an exception to this rule where the employment is in the public service. Accordingly, judicial review applications regarding applications for employment in the Industrial Development Board, Fire Authority for NI, Inland Revenue and the NI Civil Service Commission brought by Irish citizens have all been unsuccessful.
- 3.35 There are significantly greater restrictions in recruitment practices in the North and more stringent policing has meant greater risks for employers in the face of potential claims and compensation. Workers who wish to apply for positions in the North will have greater redress in finding out why they were not selected than their counterparts applying for jobs in the South.

Immigration

Table 3.5 Legislation applicable to Immigration

<i>The North</i>	<i>The South</i>
■ Immigration Act	■ Aliens Act 1935
■ British Nationality Act 1981	■ Aliens Order 1946 – 1999

- 3.36 Through membership of the EU, both the North and South abide by the principle of free movement of workers (article 48 of the EC Treaty) between each country and all other nationals of the EU plus Iceland, Norway and Liechtenstein (which together comprise the European Economic Area (EEA)). Until both jurisdictions became Member States of the European Union in 1972, certain individuals had to apply for work permits to work across the border.
- 3.37 In general, all other nationals require authorisation to work in Ireland; this involves issuing work permits. However, due to the current labour shortage in the South, the rules relating to work permits have been relaxed resulting in various non-EU nationals no longer requiring permits. Thus, for instance, work permits are not required for persons who are posted to the South for a maximum of four years for infra-corporate transfers.
- 3.38 In the North, while there is a shortage of labour in specific sectors such as medicine and information technology, more barriers remain to non-EEA Nationals obtaining work permits than in the South. While there are a variety of ways to obtain work permits in the North, including intra-company transfers, only senior employees holding management or technical experience may obtain a work permit. This is possible only when the authorities have been satisfied that the employer has a genuine vacancy for which no suitable EU national could be found. In general, the rules applied in the South where the employee is not an EEA National impose a similar requirement to satisfy the authority that every effort was made to recruit a qualified EEA National to the position. The proposed employment of such a person is usually in a highly specialised post and the permits are granted for the period of one year initially. In contrast, work permits were issued in the North for up to four years and after this time it is possible for the worker to obtain permission to continue to work without need for a further permit.
- 3.39 The greatest impact of the EU's freedom of movement principle upon the Irish workforce is that workers are guaranteed to move without hindrance back and forth across the border to seek and obtain employment. The feature of harmonisation throughout this report cannot be better illustrated when this legal entitlement is considered in isolation. Where the worker loses his job, he/she can still stay in his host State, unlike those with work permits who must leave and return home. Indeed, the unemployed worker can take up social security benefits from the host State on the basis of his EU citizenship.

Termination of Employment (Unfair Dismissal and Redundancy)

Table 3.6 Legislation applicable to termination of employment (unfair dismissal and redundancy)

The North	The South
■ Employment Rights (NI) Order 1996	■ Unfair Dismissals Act 1977
■ Employment Relations (NI) Order 1999	■ Unfair Dismissals (Amendment) Act 1993
	■ Redundancy Payments Acts 1969 to 1991
	■ Protection of Employment Act 1977
	■ Minimum Notice and Terms of Employment Act 1933

- 3.40 As regards providing notice to employees both jurisdictions have set statutory minimum periods of notice based on employees' length of service as below:

Table 3.7 Comparison of notice required in the North and South

<i>North</i>	<i>South</i>
4 wks' to 2 yrs' service – 1 wk's notice	13 wks' to 2 yrs' service – 1 wk's notice
2 yrs' service – 2 wks' notice	2 to 5 yrs' service – 2 wks' notice
3 yrs' service – 3 wks' notice	5 to 10 yrs' service – 4 wks' notice
For each additional year of service add 1 wk's notice up to a maximum of 12 wks' notice	10–15 yrs' service – 6 wks' notice
	15 or more yrs' service – 8 wks' notice

- 3.41 Accordingly, employees in the North are provided with greater protection and thus higher payments in lieu of notice.
- 3.42 The above are only minimum periods of notice and may be superceded by longer contractual notices. In cases of common law wrongful dismissal, courts and tribunals in both jurisdictions will adjudicate on what the reasonable period of notice should be in all the circumstances. Employees in both parts of Ireland are provided with similar entitlements while working out their notice periods in respect of pay, sick leave, benefits and holidays.
- 3.43 Unfair dismissal rules are contained in the Employment Rights (NI) Order 1996 which sets out five categories where employees may be lawfully dismissed in the North. In brief, an employee in the North is entitled to claim re-instatement, re-engagement or compensation up to £50,000 after they have been unfairly dismissed. In the South an unfairly dismissed worker can also claim re-instatement or re-engagement but is limited to one hundred and four weeks remuneration by way of compensation. As regards entitlement to take a claim under unfair dismissal legislation, employees on both sides of the border must prove that they are employed under a contract of employment with continuous service of one year, while they must not be over sixty five years of age. Employees in the North who work part-time are entitled to take unfair dismissal proceedings, like their full-time counterparts. There is no definition of what constitutes a part-time worker on the basis of number of hours worked, unlike in the South where they must work at least eight hours per week in the case of regular part-time employee. Unfair dismissal claims in the North must be brought within three months of termination whereas in the South the time limit is six months from the date of dismissal, although both these deadlines can be extended in certain exceptional circumstances.
- 3.44 As regards the statutory definition of unfair dismissal, both jurisdictions provide that all dismissals are deemed unfair unless there are substantial grounds justifying the dismissal which relate to the employee's capability, competence, qualifications, conduct and redundancy. In the North the five grounds include a residuary category, "any other substantial reason," which provides flexibility for employers in deciding when an employee has been lawfully dismissed. It is important to note that employers must adhere to following a fair and reasonable procedure in terminating employment in the North and the South. There are

certain areas where dismissal will be deemed automatically unfair in both jurisdictions including trade union involvement, maternity and discrimination on the grounds of race, religion and gender etc. These automatic grounds go further in the South with additional categories including sexual orientation, age and civil or criminal proceedings being instigated by the employee.

- 3.45 Although unfair dismissal is not an area subject to any European Directives it is notable that the legal principles and procedures are extremely similar and there is reliance in the South on appropriate UK cases in determining proceedings and appeals.

Redundancy

- 3.46 Redundancy is clearly established as one of the grounds for lawful dismissal in both jurisdictions. Similarly, there are particular rules governing individual and collective redundancy in both countries, insofar as the redundancy procedure is concerned with selection, information and consultation. Employees in the North who are to be made redundant are entitled to a statutory minimum redundancy payment based on age, length of service and weekly wage. A successful claim for unfair selection for redundancy may entail a payment greater than the maximum possible redundancy payment (currently £6,900 in the North).
- 3.47 In the South, the statutory redundancy payment is also based on age, length of service and weekly wage. However, the criteria are calculated in a different way providing a more generous redundancy payment than in the North (up to a maximum of £15,600 per annum). Indeed, both jurisdictions provide for statutory minimums and some employers will provide for a higher level of severance payments particularly arising from collective agreements with trade unions which are more common in the South.
- 3.48 Employers in the North must inform employees of their reasons for selecting them for redundancy and when organisations let go twenty or more employees they are subject to specific rules on information and consultation with employer representatives. Similar rules apply in the South with employers being obliged to document the redundancy and provide a Certificate of Redundancy at the date of dismissal and Part 2 of the relevant form (“Employees Receipt for Lump Payment”) certifies the receipt of the redundancy payment.
- 3.49 Employees in the North have up to six months to take a claim in relation to a redundancy payment to the Industrial Tribunal. Workers in the South are allowed fifty two weeks from the date of dismissal of employment to refer a redundancy claim to the Tribunal. This may be extended to one hundred and four weeks if reasonable cause can be shown for any delay. Therefore, employees are provided with greater scope for redress in redundancy claims in the South.
- 3.50 All payments in respect of redundancy are tax-free on both sides of the border. However, as regards total severance packages compensation payments up to £30,000 are tax-free in the North while in the South the first £8,000 plus £600 per year of complete service is tax-free. In certain circumstances the Southern tax-free amount may be increased by £4,000.
- 3.51 Overall, while there are broadly similar approaches North and South to termination of employment there are different arrangements when it comes to compensation. Employees in the North may receive substantially greater awards in unfair dismissal cases whereas the converse applies in relation to statutory redundancy payments. It may be academic to suggest that these anomalies represent any form of obstacle to mobility especially when such payments are invariably at the end of employment and thus probably the last issue that a worker would think about in moving across the border to take up gainful employment.

Enforcement of Employment Rights

Table 3.8 Legislation applicable to enforcement of employment rights

<i>The North</i>	<i>The South</i>
βIndustrial Relations (NI) Orders 1992/1993	■ Industrial Relations Act 1990
■ Trade Union and Labour Relations (NI) Order 1995	■ Industrial Relations Act 1946
■ Employment Rights (NI) Order 1996	■ Unfair Dismissals Act 1977
■ Shops (Sunday Trading) (NI) Order 1997	■ Employment Equality Act 1998
■ Industrial Tribunals (NI) Order 1996	

- 3.52 The Industrial Tribunal and Fair Employment Tribunal in the North deal with the majority of employment claims. The Fair Employment Tribunal has exclusive jurisdiction over discrimination claims on the grounds of religious belief and political opinion. It is also possible to sue for breach of contract in the civil law courts, namely the County or High Court. Parties involved in tribunal claims will be offered conciliation services by an officer from the Labour Relations Agency to try and resolve the matter before it reaches the tribunal.
- 3.53 In the South, the Labour Relations Commission performs a similar role to the Labour Relations Agency in the North. The primary purpose of the Commission is to resolve trade disputes through conciliation without reference to the Labour Court. The Commission investigates each industrial dispute and the Labour Court may become involved if the Commission reports that no further efforts will advance some form of resolution. The Director of Equality Investigations deals with equality issues under the Employment Equality Act 1998 and Equality Officers will hear claims under Southern anti-discrimination legislation. The Labour Court performs the appellate function in this area also.
- 3.54 The Rights Commissioner can hear individual complaints under various Southern legislation, including unfair dismissals, payment of wages, maternity, and employment terms and working time. The hearings are heard in private and they are relatively informal. Parties may appeal the Equality Rights Commissioner's recommendation to the Labour Court within six weeks after the recommendation. As in the North, the Rights Commissioner can order either compensation, re-instatement or re-engagement in cases of unfair dismissal.
- 3.55 Any complaints in the North to an industrial tribunal must be made within three months of the act complained of occurring in general. Appeals from the tribunal can be made to the Court of Appeal on a point of law. Reviews of the tribunal decision are possible only where the Tribunal has been procedurally remiss but not on the grounds that a party disagrees with the decision.
- 3.56 The Equality Commission in the North provides advice and assistance to applicants taking claims of discrimination and although it has the power to investigate certain employers to ensure fair employment and fair participation in the workplace the only arena for dealing with complaints is the tribunal itself.
- 3.57 The Employment Appeals Tribunal in the South deals with claims and appeals under legislation dealing with redundancy, unfair dismissal, payment of wages, maternity and parental leave. The tribunal hears appeals from the Commissioner's recommendations. There are strict time limits applicable in the course of proceedings as there are in the tribunal system in the North. Tribunals in both the North and South cannot award legal costs, so that each side will usually bear its own costs. In addition, both systems allow for frivolous and vexatious claims to be penalised by an award of costs against the party concerned. Appeals in the South from the Employment Appeals Tribunal in relation to unfair dismissal can be made through the Circuit Court within strict time limits depending on the nature of the claim.
- 3.58 The legal structures in place in the two jurisdictions are constituted in contrasting ways although as far as individual workers are concerned, they possess comparable remedies to seek enforcement of their employment rights.

IV Conclusions

- 4.1 In summary, there is a very high level of harmonisation on both sides of the border. Overall, whether from the perspective of employment practices or individual entitlements, the nature of employment law is increasingly similar.
- 4.2 In each jurisdiction, there are very many areas in which the applicable legislation is indistinguishable, or almost so. This arises principally from the impact of EU law and the common approach adopted by the respective governments in implementing this legislation. Perhaps one of the major impacts that EU membership has had is the removal of the perceptions of disharmony and separation on either side of the border in relation to freedom of movement in the employment sphere.
- 4.3 However, it is still worth noting the subtle variances in law and perception that continue to arise. Thus, for example, the high level of harmonisation removes any barriers to mobility for full-time workers. However, there is a notable disparity in the specific area of casual employment with a greater level of protection conferred on casual workers in the South who are generally guaranteed some measure of pay unlike their counterparts in the North.
- 4.4 With regard to many of the areas inspired by EU law there is broad similarity, North and South particularly in paternity, equality and working time legislation. Indeed, these areas tend to sum up the conveyance of law that is distinguished only in minor, almost irrelevant, detail. Certainly, any impact or perceptions felt by workers moving into the opposite jurisdiction would be negligible.
- 4.5 It is unlikely that divergent treatment of redundant workers in regard to termination of employment would lead to a barrier to mobility as it is arguably the last consideration when moving cross-border for employment. Further to this, very few people would be even aware of the preferable situation in the South for the majority of redundant employees.
- 4.6 Perhaps the most notable difference is in relation to recruitment and the legal framework in the North which vigorously outlaws discrimination on several fronts. While the spirit of similar legislation exists in the South, the legal process is not tried and tested to the same degree that occurs in the North. The legislative and substantive case law, especially in fair employment and sex discrimination actions, have acted on a catalyst for employers in the North to ensure rigorous recruitment methods. Conversely, there is a real perception of finding employment easier to come by in the South leaving a possible barrier to those wishing to move in the other direction. This is despite the golden principle of freedom of movement which cannot take into account the socio-economic complexities of life on this small island.

EIII – Taxation and Social Security
Working Paper

I Introduction

- 1.1 Taxation and social security are areas that affect every individual.
- 1.2 *The purpose of this Working Paper is to set out in summary form matters of particular relevance in respect of taxation and social security that have arisen as a result of information obtained regarding obstacles to cross-border labour mobility. This working paper should not be used for any other purpose.*

II Background and context

Background

- 2.1 The existence of different tax regimes and social security systems in the North and the South is a major factor to consider when individuals are considering moving job and/or home.
- 2.2 Individuals considering moving or taking employment in the other jurisdiction are faced with a number of issues and potential difficulties.
- 2.3 Some of these concerns are perceived and are not necessarily as big a hurdle as envisaged, but there are some genuine difficulties. In this report, we have addressed the main issues affecting individuals on both sides of the border and where possible have offered practical approaches in addressing these “barriers”.
- 2.4 We considered a useful method of covering the issues was to list them all initially and then comment on them in the report. The issues can be different depending on the circumstances of the individual, i.e. persons living in one jurisdiction and working or seeking work in the other or persons who live and work in one jurisdiction but who have either have moved, or wish to move, to go to live and work in the other jurisdiction.
- 2.5 The issues discussed in this report include the following:
 - PAYE;
 - Tax and personal allowances;
 - Social security payments and benefits;
 - Impact on subcontractors and self employed; and
 - Tax and social security reporting requirements (compliance).

III North/South Taxation Differentials

PAYE

- 3.1 The Revenue authorities both North and South have implemented an income tax system for employees of Pay As You Earn. This results in the employer making deductions each week/month of tax and social security from the employee's pay. However the income tax rates, personal allowances available, the social security rates and the bands for taxation vary between North and South, and as a result take-home pay differs in each jurisdiction.
- 3.2 If a person is resident in the North and takes up an employment whose duties are exercised in the South, PAYE will be operated on the earnings from that employment in accordance with the rules of the South, despite the fact that the person is resident in the North and vice versa.

Tax Rates

- 3.3 One perception for individuals resident in the North is that the tax is much higher in the South and therefore opportunities in the South become less attractive. Whilst this may be more accurate in the past, recent budgets in the South have reduced tax rates and have extended tax bands. This has reduced the variance between the take home pay between North and South and indeed for lower paid individuals there is now little difference. We have shown examples in Appendix A. These examples have been based on pound for punt exchange rates although it has to be acknowledged that due to the current exchange rates, the person living in Belfast, but working in Dublin will need a significantly higher salary than if he/she was living and working in Belfast.

Cross-Border Relief

- 3.4 One major obstacle for employees living in the South, but working in the North was removed in 1998. The relief known as cross-border relief was introduced with effect from 6 April 1998 and is designed to give income tax relief to individuals who are resident in the South but who work outside the South. It effectively removes earnings from a "qualifying employment" from liability to Southern tax where UK tax has already been paid. This proves very attractive to residents living in the border counties of the South who can benefit from the lower tax rates in the North and the strength of Sterling. So for example Person A living in Dundalk but working in Newry will be better off than Person B living in Dundalk, receiving the same gross wage as Person A, but working in Dundalk.

Double Taxation Relief

- 3.5 Double taxation relief is available to the Northern employee who works in the South and pays Southern tax. The employee in the North can claim credit for the Southern tax paid on his/her Northern tax return, which should result in no additional Northern tax being due as the Southern tax deducted is likely to exceed the Northern liability. No refund of the excess Southern tax deducted can however be made.

Compliance

- 3.6 The process of registering for tax/social security in the South requires the individual to go in person to the nearest office of the Department of Social, Community and Family Affairs, where he will be required to complete a personal public services (PPS) application form to obtain his PPS number.
- 3.7 Following receipt of his PPS number he must apply to his tax district in the Republic for his tax free allowance certificate. (form 12A).
- 3.8 The system in the North is different and the individual will have to apply to two separate offices to be registered for tax and National Insurance. For tax, the individual will have to sign a new start form (P46) which will be given to him by his employer and submitted to the tax office by the employer. To ensure that he/she goes onto the correct cumulative code number he/she will have to complete a form P86 which is for employees coming to the North.
- 3.9 To obtain a national insurance number the individual has to phone the nearest Social Security office, which he can find in the telephone directory and arrange a meeting. At the meeting he will be asked to produce

identification such as a passport and complete an application form.

- 3.10 This form will be processed by the social security office and it will take between eight to twelve weeks before the number is posted.

Tax Year

- 3.11 The Southern tax year at present is the same as the Northern tax year, i.e. 6 April to 5 April, which makes completing tax returns in the relevant state that bit easier. However, from 1 January 2002 the Southern tax year is changing to a calendar year. Employees will no longer be able look at their end of year pay and tax certificate and simply slot the figures after exchange adjustments onto their Northern tax return.
- 3.12 This will pose a particular difficulty to the individual living in the North, but working in the South who has to complete a Northern tax return. The final date of filing for Northern tax returns before imposing a penalty is 31 January following the end of the tax year. As the South's year end will be 31 December, i.e. only one month before the end of the filing period it leaves a very short timescale for the Northern resident to obtain all the necessary information needed to complete his Northern tax return.
- 3.13 There is experience of this difficulty already as some other countries such as the US have the calendar year as their tax year. However, the number of individuals this currently affects is limited. From 2002 this number will increase substantially and whilst it is probably not something that is foremost in an individuals mind when they are considering moving, it will undoubtedly cause additional stress after 31 December 2002.

Occasional employment in both states

- 3.14 Many employers will send employees back and forward between sites in the South and the North. Potentially, the employer is liable to operate the Southern PAYE system in respect of remuneration paid for services in the South and Northern PAYE on the earnings relating to work performed in the North.
- 3.15 In practice however our experience to date has shown the Revenue Commissioners have accepted that a Northern resident paid by a Northern resident employer may still continue to have all of his or her income paid under the Northern PAYE system.
- 3.16 Unfortunately, it is also our experience that the Revenue authorities question the existence of a management charge in the accounts relating to an individual working in one state but employed by a company in the other State. The Revenue can use this as a reason to investigate the accounts and the operation of PAYE of the company.

Social Security

- 3.17 The payment of social security for cross-border workers presents its own problems as it does not always follow the tax rules. Potentially an employee could be paying tax in one state and paying social security contributions in another.
- 3.18 This is a very difficult area for employees and employers.
- 3.19 We have experience of one client who has recently realised that they have deducted Northern tax correctly as the employees were continued to be paid from the plant in Fermanagh, but as the individuals are working in Cavan then PRSI should have been deducted, not Northern NIC which had been. This client will now have to go to the two Revenue authorities to determine if any agreement can be reached. The position is further complicated, as the employees may have claimed UK benefits to which they may not have been entitled.

Activities in one Member State

- 3.20 As a general rule, a person employed in the territory of one Member State shall be subject to the legislation of that state even if the person resides in the territory of another Member State or if the place of business of

the undertaking or individual employing the person is situated in the territory of another Member State.

- 3.21 For example a person employed in Donegal but who lives in Limavady will be subject to the legislation of the South.

Activities in Two Member States

- 3.22 Further difficulties arise when the individual is working in both the North and the South. Where this happens the Member State where the individual lives and where his/her habitual centre of interests is situated will be responsible for deducting social security.

Temporary transfer within two Member States

- 3.23 The general rule for social security within the EU is that if a person is employed in one State he shall be subject to the legislation of that State even if he resides in the territory of another Member State. However, this rule does not apply in the case of persons who are posted from one Member State to another and the posting is not expected to exceed 12 months. In these circumstances the employee and the employer can continue to pay their home country's social security so long as they have a Certificate of Coverage (Form E101).

IV North /South Social Security Differentials

Benefits available

- 4.1 One major concern individuals have when considering employment in another state is what effect it will have on their benefits, both short term and long term.
- 4.2 Short absences for holidays abroad do not affect most benefits. Continued entitlement to benefit depends on whether or not the individual is leaving the State permanently and the type of benefit.
- 4.3 In both temporary or permanent absence, if the individual requires payment of the benefits to be made whilst abroad he/she must contact the local security office and the appropriate benefits branch for centrally paid benefits.
- 4.4 The individual will be asked to provide the following information:
- Name and National Insurance number / PRSI number;
 - The address abroad;
 - The date of departure from the state;
 - The method of payment required;
 - Whether the absence will be temporary or permanent (if temporary, how long will it last);
 - whether the spouse and/or child(ren) will be going also
- 4.5 Individuals leaving the North to work in the South have expressed concern regarding their eligibility to Working Family Tax Credit and the new Children's Tax Credit which commences on 6 April 2001. If the husband and wife are both leaving the North permanently then the tax credits will not be due, but if the absence is only temporary or if one spouse remains in the North then the credits could continue to be paid assuming the other qualifying conditions are met.
- 4.6 Although arguably of decreasing value, individuals remain concerned regarding their state retirement pension and how it is affected by working in another state. The retirement pension in both states is dependent on the number of years' contribution in that particular State.
- 4.7 For example, Brian worked in County Antrim for 25 years as an electrician. His company asked him to relocate to Drogheda to become their foreman for their new business. Brian and his family moved to Drogheda where he continued to work for 20 years before retirement.
- 4.8 Brian is entitled to his Northern state pension based on his 25 years contributions and to his Southern state pension based on his 20 years contribution. He will of course have to have advised the Northern authorities of his departure and of his new address in Drogheda.

V Subcontractor Taxation Differentials

Background

- 5.1 The National Development Plan (NDP) sets out the future development needs of the South. The vision of the NDP is to ensure that the South will remain competitive in the global international workplace and that economic success will be shared more equally at regional levels and throughout society.
- 5.2 The NDP will involve an investment of almost £41 billion over the period 2000-06. On housing alone it is estimated that 10,000 new houses p.a. will be built over the duration of the plan at a cost of IR£6bn.
- 5.3 Employment in the Irish construction industry has grown rapidly during the 1990s. Between 1994 and 1999 the number of workers employed in the industry doubled. Today, the Construction Industry Federation (CIF) estimates that there are 160,000 directly employed. However, the number is insufficient to maintain the South's current construction boom, never mind to cope with the additional work envisaged in the NDP. During the period 1994-1998 most of the new construction jobs were filled by Irish emigrants returning home, and by workers remaining in the South who might otherwise have emigrated. More recently, workers from the North and other parts of the UK have met the demand.

Difficulties facing the Northern contractor

- 5.4 The UK subcontractors exemption certificate CIS5 or CIS6 and registration card will have absolutely no relevance to the work they carry out across the border.
- 5.5 In the absence of appropriate documentation from the Irish tax authorities, contract receipts may be subject to a 35% tax deduction on the gross amount (including materials and VAT element). They may be required to deduct 35% tax on all payments made to their subcontractors and they must register for VAT in the South immediately.

Example of tax deductions

- 5.6 On a contract value of £100,000, the contractor will deduct 35% tax before making payment to the builder resulting in a net payment of £65,000. The builder has to subcontract bricklayers, electricians, etc at a cost of £50,000. The builder has to deduct tax at 35% from this amount.

Typical Symptoms

- 5.7 Severe cash flow difficulties arising from 35% deduction of tax and difficulties in obtaining refund and an erosion of contract profitability.

Repayment

- 5.8 It is possible to claim a refund of the tax deducted, but the claimant should be prepared to wait at least four weeks after all the information requested has been submitted. Claimants are not always aware of their tax compliance responsibilities and this can further delay the refund.
- 5.9 The best way to overcome problems of having to reclaim 35% tax credits is to avoid the deduction in the first case, i.e. obtain a "Certificate of Authorisation" in advance. This certificate is known as a "C2" and can be obtained reasonably easily if known about in advance.
- 5.10 The subcontractor must show that he has a fixed place of business which can be North or South, he keeps proper and accurate business records; and he has a satisfactory tax record.

Taxation of profits

- 5.11 The problem for contractors in the North working in the South arises regarding the permanent place of establishment which, if the authorities in the South deem to be in the South, the subcontractor will be taxed in accordance with the Southern rates.
- 5.12 The Revenue Commissioners in the South take contracts at one particular site lasting greater than six

months as representing a permanent place of establishment in accordance with the Double Taxation Agreement between the North and South.

Southern Subcontractor working in the North

- 5.13 Southern subcontractors working in the North are not as commonplace as Northern subcontractors working in the South due to the economic climate, but they too have difficulties when it comes to tax deduction and exemption certificates.
- 5.14 From 1 August 1999, a new Construction Industry Scheme has operated in the North where all subcontractors without a certificate working in the North have to produce a registration card before they receive payment.
- 5.15 If a Southern resident subcontractor carrying on business in the North wishes to obtain a certificate which enables him/her to receive payments without deductions, he/she must prove that he/she has proper business records and a "clean" tax record. From 1 August 1999 in order to obtain a Certificate, his/her construction turnover net of materials will also need to be at least £30,000 per annum.

Business Profits for the Self Employed

- 5.16 Business profits are taxable in the State in which they arise unless there is a permanent establishment in the other State when the profits applicable to the permanent establishment will be taxed in the other State. Any tax payable in the other State will be available as a credit against the tax payable in the State on the same profits.

Annex

Table 1 Income Tax – Personal Allowances

<i>North 2000/01</i>		<i>South 2000/01</i>	
Single person's allowance	£4,485	Single person's allowance	£4,700
Married Couple's allowance	Nil	Married person's allowance	£9,400
Relief for personal allowances is restricted to standard rate only in 2000/01 as was the case in 1999/00.			

Table 2 Income Tax – Tax Rates

<i>North 2000/01</i>	<i>South 2000/01</i>	
Rate Band	For married couples with two incomes, where the wife's income treated as the Husband's:	
10% up to £1,520	First IR£34,000 (Note 1)	22%
22% £1,520 - £28,400	Balance	44%
40% above £28,400	NB Assuming that both spouses are earning a minimum of £6,000	
	For same situation as above but with only one income:	
	First IR£28,000	22%
	Balance	44%
	For all other persons:	
	First IR£17,000	22%
	Balance	44%

Table 3 UK National Insurance Rates

<i>Per Week</i>	<i>2000/2001 Employee %</i>	<i>2000/2001 Employer %</i>
£0–£76	0	0
£76.01–£84	10	0
£84.01–£535	10	22.2
Over £535	(Max) £45.90	12.2

Table 4 Southern PRSI Rates

<i>Per Week</i>	<i>2000/2001 Employee %</i>	<i>2000/2001 Employer %</i>
Class AO Earnings £30–£226 pw	0.0%	8.5%
Class AX (Earnings £226–£280 pw)		
£0–£100	0%	8.5%
£101–£280	4.5%	8.5%
Class A1 (Earnings £280 & over pw)		
£0 - £100	2.0%	12.0%
Balance (Note 1)	6.5%	12.0%

Note 1: For Class A1 an employee does not pay PRSI once earnings exceed £26,500 p.a. but will continue to pay 2% on earnings over this limit. Employers do not pay PRSI once earnings exceed £36,600 p.a.

Table 5 Resident in the South or the North – Working in the South

	2000/2001	
	Scenario 1 £	Scenario 2 £
Salary	15,000	35,000
Taxable Income	<u>15,000</u>	<u>35,000</u>
15,000 @ 22%	3,300	
17,000 @ 22%		3,740
18,000 @ 44%		7,920
Less tax credits re allowances		
Personal allowances £4,700 @ 22%	(1,034)	(1,034)
PAYE allowance £1,000 @ 22%	(220)	(220)
Total Tax	2,046	10,406
PRSI (Employee):		
5,200 @ 2%	104	104
9,800 @ 6.5%	637	
21,300 @ 6.5%	1,384	
8,500 @ 2%	<u>-</u>	<u>170</u>
Total PRSI	741	1,658
Net Pay	12,213	22,936
PRSI Employer		
15,000 @ 12%	1,800	-
35,000 @ 12%	-	4,200

Table 6 Resident in the South or the North – Working in the North

	2000/2001	
	Scenario 1 £	Scenario 2 £
Salary	15,000	35,000
Less Personal Allowances	4,385	4,385
Taxable Income	<u>10,615</u>	<u>30,615</u>
1,520 @ 10%	152	152
9,095 @ 22%	2,001	-
26,880 @ 22%	-	5,914
2,215 @ 40%	<u>-</u>	<u>886</u>
	2,153	6,952
National Insurance (Employee):		
3,952 @ 0%	0	0
11,048 @ 10%	1,105	2,387
	<u>1,105</u>	<u>2,387</u>
Net Pay	11,742	25,661
National Insurance (Employer)		
4,368 @ 0%	0	0
10,632 @ 12.2%	1,297	-
30,632 @ 12.2%	-	3,737

Table 7 Comparison of Net Pay, Tax and Employers Costs (Assuming £1 = IR£1) 2000/2001

	<i>The North</i>		<i>The South</i>	
	<i>Scenario 1</i>	<i>Scenario 2</i>	<i>Scenario 1</i>	<i>Scenario 2</i>
	£	£	£	£
Gross Salary	15,000	35,000	15,000	35,000
Income Tax	2,153	6,952	2,046	10,406
NIC/PRSI	1,105	2,387	741	1,658
Net Pay	11,742	25,661	12,213	22,936
Employers NIC/PRSI	1,297	3,737	1,800	4,200
Total Employers Costs	16,297	38,737	16,800	39,200

Appendix F

Public Meetings

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Introduction

- 1 During the latter part of the study the North/South Ministerial Council convened two public meetings in Carrickmacross on Wednesday 16 May 2001 and Omagh on Tuesday 29 May 2001 to allow individuals and organisations in border areas to discuss their views on obstacles and solutions to mobility issues.
- 2 Each meeting was divided into a series of discussion groups under the main themes of the study. The results of these discussions are summarised in the following tables and are referenced in the main report under the relevant sections.

Taxation, Social Security and Pensions

Obstacles	High/Medium/Low	Solutions	Responsibility	Timing
<p>SOCIAL SECURITY:</p> <p>Group were agreed that the issue of social welfare differentials should also be included in the remit of this discussion, where appropriate.</p> <ul style="list-style-type: none"> ➤ Information – difficulties with flows/accessibility for individuals and administrators ➤ Processes for accessing benefits: unwieldy – different channels/areas and requirements which must be satisfied. (Caveat that the exchange of personal information is strictly controlled as are the uses for which it can be employed – protection of the rights of the individual.) ➤ Permitted duration of Social Welfare benefits when moving between jurisdictions. ➤ Encouragement of the black/grey economy –response to the inflexibility of systems, 	<p>High</p>	<ul style="list-style-type: none"> ➤ Common Agency or common database which will provide relevant and targeted information – website/publications/location. At minimum, need for meaningful exchange of information between the two Administrations. ➤ Must bear in mind that, at present, EU Regulations coordinate social security between the different Member States – these lay down common rules and principles which apply BUT do not harmonise the various systems. However, options need to be explored – for example, allowing posted workers to remain within their parent/home social security regime for the duration of their posting (at present, Regulations dictate that this may be for a maximum of 2 years, subject to the agreement of the Administrations of the sending and receiving Member States). Again relates back to provision of information – attuning employers, etc. ➤ Existing, healthy co-operation in combating fraud/encouraging control arrangements. ➤ NSMC should be involved in co-ordinating social security regimes: all-island focus required. Also need for cross-border proofing of all policies. 	<p>State</p> <p>State</p> <p>State</p> <p>State</p>	<p>Short to Medium Term</p> <p>Longer Term</p>

Taxation, Social Security and Pensions

Obstacles	High/Medium/ Low	Solutions	Responsibility	Timing
<p>PENSIONS:</p> <p>Portability – three aspects raised</p> <ul style="list-style-type: none"> ➤ Information deficit again raised – lack of clear guidance/knowledge re requirements, qualification process – applies equally to State and occupational/personal pension arrangements. ➤ Currency exchanges – particularly for social welfare (State) pensioners residing in one jurisdiction but receiving a pension from the other. ➤ Personal/Occupational: transfer of pension arrangements – not just a cross-jurisdictional issue as also applies within one jurisdiction if changing employments which provide different pension schemes. 	<p>Medium</p>	<ul style="list-style-type: none"> ➤ State pensions already well regulated at EU level – therefore points to need to improve the communications and information-provision processes. ➤ Personal/occupational pension arrangements: not regulated at present: may point to need for bilateral agreement. New Personal Retirement Savings Account in the South may lend enhanced portability and protection of existing entitlements within the State itself. ➤ Need for cross-border proofing of all policies. 	<p>State</p> <p>State</p>	<p>Long Term</p>
<p>TAX:</p> <ul style="list-style-type: none"> ➤ Perception that the tax regime in the South so different (stringent) as to hinder mobility ➤ Lack of information on requirements, procedures, etc. ➤ Difficulties in establishing companies in the South (new C2 requirements, etc); ditto requirement that Northern companies must have a Southern resident as a Director and must be able to show a Southern tax record. 	<p>High</p>	<ul style="list-style-type: none"> ➤ Need for pro-active, business-friendly and joint approaches ➤ Convergence is already happening with continuing benign tax regime in the South ➤ Need for cross-border proofing of all policies. 	<p>State</p>	<p>Not discussed.</p>

Education and Training

Obstacles	High/Medium/Low	Solutions	Responsibility	Timing
<p>Most Important Obstacles</p> <ol style="list-style-type: none"> 1. Mindsets 2. Transferability between the two systems 3. Access to Vocational Training on a cross-border basis <p>1. Mindsets</p> <ul style="list-style-type: none"> • A number of participants identified mindsets and mutual suspicion as being the greatest barriers to cross-border mobility in this sector. • Perceived differences are often greater than the real differences. • Even where rules are changed to facilitate cross-border access etc., there is no guarantee that bodies will implement the new rules fully and in the spirit in which they are intended. 	<p>High</p>	<p>Most Important Solutions</p> <ol style="list-style-type: none"> 1. Ongoing co-operation is required to ensure that there is contact and knowledge between the two systems. 2. Greater co-operation and co-ordination between both systems to allow for more movement between them. 3. Simplification of rules and regulations to allow cross-border access to training. <p>Solutions</p> <ul style="list-style-type: none"> • There is a need to promote co-operation and contact between the two systems. At present, there is too much reliance on individual initiatives and individual goodwill. • There is now a policy context and a political structure in place in the Education sector i.e. the NSMC. This should now be used to provide leadership, co-ordination, funding and investment on an all-island basis. • Appointment of a North/South officer in the Department of Education and Science in Dublin is a very welcome development. Helps to promote North/South awareness in the sector. 		

Education and Training

Obstacles	High/Medium/ Low	Solutions	Resp onsibility	Timing
<p style="text-align: center;">2. Transferability Issues</p> <ul style="list-style-type: none"> • The two systems have evolved differently and this can lead to difficulties in transferring between them, especially at second level. • Mutual recognition of qualifications is required. This can be important for example when a student, having completed a course in one jurisdiction wants to do an add-on course in the other. • Also need recognition of teaching qualifications in order to promote greater mobility of those working in the sector. Irish language requirement in the South also acts as an obstacle for teachers wishing to move to the Southern system. <p style="text-align: center;">3. Barriers to Cross-Border Training</p> <ul style="list-style-type: none"> • Some training schemes in the North cannot be accessed by residents of the South and vice versa. • In other cases, access is allowed, but the trainees are not entitled to the same training allowances which effectively precludes them from availing of the courses 	<p style="text-align: center;">High</p>	<ul style="list-style-type: none"> • The Review of curricula in both jurisdictions should allow for some co-ordination and closer alignment between them. The fact that experts from the South are part of the review process in the North is a welcome development. • Standardised systems of qualifications such as the National Council for Vocational Awards (NCVA) system allow for easier transfers between the two systems. However, it was pointed out that such systems have not always been readily embraced by employers. • Mobility of teachers and workers in the sector would help to increase knowledge of each system and hence facilitate transfers between them. Good will on the part of individual teachers, Education and Library Boards etc. can also help when a transfer does take place. • The regulations should be reformed to allow for recognition of teaching qualifications and to facilitate cross-border mobility of teachers. • Rules and regulations governing cross-border access should be simplified. • Funding should be provided on an equal basis to trainees in both jurisdictions. • Need a closer working relationship between the Training and Employment Agency and FAS. 		

Education and Training

Obstacles	High/Medium/ Low	Solutions	Respon- sibility	Timing
<p>4. Other Issues</p> <ul style="list-style-type: none"> • Differences in legislation between both jurisdictions can lead to confusion over the rights of individual workers. • There is a need to apply the lessons from various pilot projects in the training area and to mainstream them. • The fee structure at third level in the North can act as a disincentive to Southerners to study at third level in the North. 				

Financial Services (Banking, Insurance, Currency)

Obstacles	High/Medium/ Low	Solutions	Responsibility	Timing
<p>Most Important Obstacles</p> <ol style="list-style-type: none"> 1. Currency issues relating to uncertainty caused by fluctuation. 2. Bank charges for transferring money across the Border and lack of transparency relating to those charges. 3. Insurance (car and business) in relation to extra charges for cross-Border coverage and uncertainty as to coverage in the other jurisdiction <p>1. Banking Issues</p> <ul style="list-style-type: none"> • Bank Charges for moving money across the Border including transfers between branches of the same bank. • Banks using standard charges regardless of amounts transferred. • Employers in one jurisdiction unwilling to lodge salary payments to Bank branches in other jurisdiction. • ATMs not on-line across the border to allow real-time checking of bank balances. • Cross-border workers from the North will not be able to avail of new Government Special Savings Scheme despite working in the South. 	<p>High/Medium/ Low</p>	<p>Most Important Solutions</p> <ol style="list-style-type: none"> 1. Difficult to identify solution given South's entry to Euro with the UK staying out. Suggestion that cross-border workers be compensated for fluctuations. 2. Solutions relate to greater transparency in charges and greater use of electronic transfers which should not need to be charged. 3. Solutions include greater competition and a willingness to see the Border as being an opportunity to be exploited and not just as a barrier – some companies are beginning to operate on cross-border basis. <p>Solutions</p> <ul style="list-style-type: none"> • Banks facilitate business customers by allowing for both punt and sterling accounts in the one jurisdiction – this could be extended to personal customers • Should be greater transparency in charges levied. Increased competition would help. • Greater use of electronic transfer. ATMs allow for cross-Border withdrawal – why not cross-Border electronic lodgements. • Could be changed with political will. 		

Financial Services (Banking, Insurance, Currency)

Obstacles	High/Medium/Low	Solutions	Responsibility	Timing
<ul style="list-style-type: none"> • Mortgage potential is affected by currency fluctuation as a bank/building society will judge ability to repay based on converted salary scale which of course moves as the currency moves. • Internal bank post is slow as post from Border counties has to go to either Belfast or Dublin before crossing the border. • Banks in the South will not give car loans for car purchase in the North even though employee works in the South • 2. Currency Issues Uncertainty caused by fluctuations • Fluctuation is a major issue for cross-Border bodies which may have budgets denominated in one or other currency – issues magnified for new North/South bodies which are funded by both administrations and have to make payments (including salary payments) in both jurisdictions. • Euro changeover in South likely to cause further confusion. • For public sector workers in cross-border bodies currency fluctuations bring differential in real pay rates between colleagues. • 3. Insurance Some companies in the North will not quote car insurance for Northern residents working in the South and therefore requiring their car to travel to work in the South. • Some car-hire companies will charge higher premiums for car rental if car is to be used across the Border • Employers and Public Liability Insurance – Northern insurance will cover subcontractors in the North but will not cover subcontractors working for Northern firms in the South 	<p>High/Medium/Low</p>	<ul style="list-style-type: none"> • Building Societies in South could supply sterling mortgages for house purchases in North – and vice versa • Perhaps additional allowances could be paid to cross-Border workers. • Increased competition would help • Insurance companies should cover sub-contractors across the Border – again increased competition with companies operating on an all-island basis would help 		

Financial Services (Banking, Insurance, Currency)

Obstacles	High/Medium/ Low	Solutions	Responsibility	Timing
<p>4. Payments in Public Sector</p> <ul style="list-style-type: none"> Public Body in one jurisdiction cannot pay public body in the other jurisdiction for seconded employees as such payments would be seen to be appropriations in aid which must be surrendered to Exchequer. 		<ul style="list-style-type: none"> This is an administrative rule which could be changed given the will to do so. 		

Transport, Communications, Car Importation, Fuel Costs

Obstacles	High/Medium/Low	Solutions	Responsibility	Timing
<p>Transport</p> <ul style="list-style-type: none"> Differences in Driver Licensing regulations mean that certain persons licensed to drive mini-buses in the North are not licensed to drive them in the South. This impinges particularly on voluntary schemes in rural areas in the North, (to drive the minibuses in the South, the drivers must undertake a separate test for a DI license). Poor condition of national and secondary road network in border areas. Lack or comprehensive public transport system in Border areas. Only one cross-border rail link. Department of Education (NI) refusing to pay daily cost of students travelling from North to South to attend School. (particularly in regard to Irish Language Schools) 	<p>High</p> <p>High</p> <p>High</p> <p>High</p>	<ul style="list-style-type: none"> Harmonisation of licensing regulations North and South. Increased funding for roads and co-ordination of efforts North and South. Increased funding for public transport and co-ordination of efforts North & South Equality of treatment on such issues irrespective of whether pupils are crossing the border to study. 	<p>DOE & DOELG</p> <p>DOELG DRD & Local Authorities</p> <p>DoPE, DRD & Service Providers</p> <p>DoEd(NI)</p> <p>Service Providers Telecommunications Regulators</p> <p>Service Providers Telecommunications Regulators</p>	<p>MED</p> <p>Short/Med</p> <p>Med/Long</p> <p>Short</p> <p>Short</p> <p>MED.</p>
<p>Communications</p> <ul style="list-style-type: none"> High and non-transparent mobile phone roaming tariffs Phones selecting networks from the other jurisdiction within 10 miles of the border Differences in land-line pulse rates leading to private cross-border phone networks costing 4/5 times that of networks entirely within either jurisdiction. 	<p>High</p> <p>High</p>	<ul style="list-style-type: none"> Single all-island tariff Harmonisation of systems North/South 	<p>Service Providers Telecommunications Regulators</p> <p>Service Providers Telecommunications Regulators</p>	<p>Short</p> <p>MED.</p>

Transport, Communications, Car Importation, Fuel Costs

Obstacles	High/Medium/ Low	Solutions	Responsibility	Timing
<p>Fuel Costs</p> <ul style="list-style-type: none"> While fuel cost differentials actually lead to increased cross-border mobility, fluctuations have a de-stabilising effect on the economies in Border regions 	Medium	<ul style="list-style-type: none"> Co-ordinated fuel prices North & South 	Revenue Commissioners Inland Revenue	MED/ LONG
<p>Car Importation</p> <ul style="list-style-type: none"> Perception that process is cumbersome and expensive. 	Medium	<ul style="list-style-type: none"> Authorities should publish clear information on the process and costs. 	Registering Authorities, Inland Revenue, Revenue Commissioners	Short

Animal Health / Livestock Movement

Obstacles	High/Medium/ Low	Solutions	Responsibility	Timing
<ul style="list-style-type: none"> Poor marketing of Irish (N&S) agricultural products abroad, especially N products Animal Health issues – poor official communication and co-operation between Departments, N&S Anomalies in Premium Payments Different animal traceability systems employed N&S Lack of harmonisation of agricultural education/training systems N&S Animal disease crises cause “shutdown” of rural/border areas and restricts movement of people 	<p>High</p> <p>High</p> <p>High</p> <p>High</p> <p>High</p> <p>High</p>	<ul style="list-style-type: none"> Joint marketing strategy Increase in the no. of meetings at official level Common approach/standardisation Common/shared animal movement tracing system Formal complementary linkages between education/training institutions N&S Reduce risk of disease 	<p>Government</p> <p>Depts</p> <p>Depts</p> <p>Depts</p> <p>Depts</p> <p>Govt/ farmers/ general public</p>	<p>Now</p> <p>Now</p> <p>Now</p> <p>Now</p> <p>Now</p> <p>Now</p>

Appendix G

Analysis and Evaluation of Barriers to Mobility

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Survey of individuals

Barriers to Mobility

G.1 The potential barriers to mobility are analysed under a number of headings: taxation; social expenditures; education, training, qualifications and employment law; and services. The responses of individuals to the questionnaire have been considered under each of these topics. See chapter 4 for further details.

Taxation

G.2 Under taxation, direct taxes, indirect taxes and Vehicle Registration Taxes are discussed. As Table G.1 shows, direct taxes are perceived as a barrier to labour mobility for two-thirds of respondents i.e. those rating it as very or fairly important. Respondents from the South considered it to be more important than those from the North. Indirect taxes are also perceived as a barrier – though by a lower proportion of respondents than in the case of direct taxes. Altogether, 46.3% of respondents rated indirect taxes as important, as Table G.2 indicates.

Table G1: Direct Taxes Including Income Tax – % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	28.9	36.8	15.8	5.3	13.2	100.0
South	36.8	36.8	15.8	5.3	5.3	100.0
Total	31.5	35.2	16.7	5.6	11.1	100.0

Source: Indecon/PWC Survey.

Table G2: Indirect Taxes Including VAT – % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	21.1	21.1	26.3	10.5	21.1	100.0
South	26.3	31.6	10.5	10.5	21.1	100.0
Total	22.2	24.1	22.2	9.3	22.2	100.0

Source: Indecon/PWC Survey.

G.3 Vehicle importation and registration costs represented a very significant barrier to labour mobility in the view of individual respondents: almost 60% felt it was either very or fairly important. A higher proportion of respondents from the South felt that this was very important (47.4%) with a further 21.1% rating it as fairly important. This issue primarily affects frontier workers from the South travelling to the North, in addition to migrant workers moving from the North.

Table G.3: Vehicle Importation and Registration - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	23.7	31.6	18.4	13.2	13.2	100.0
South	47.4	21.1	15.8	5.3	10.5	100.0
Total	31.5	27.8	18.5	9.3	13.0	100.0

Source: Indecon/PWC Survey.

Social Expenditures

- G.4 The provision of various social services was also considered in the survey. Social security was rated as important by a significant majority of respondents – almost two-thirds in all. This was slightly higher for the Southern respondents (68.4% rated it as important at some level).
- G.5 These rankings primarily reflect concerns about benefit eligibility and entitlements for both frontier and migrant workers. Overall, there seems to be a lack of information or understanding on these issues. This is a recurring theme that is addressed in detail in subsequent chapters.

Table G.4: Social Security - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	21.1	42.1	21.1	5.3	10.5	100.0
South	36.8	31.6	21.1	0.0	10.5	100.0
Total	24.1	38.9	22.2	3.7	11.1	100.0

Source: Indecon/PWC Survey.

- G.6 Table G.5 shows the results for pensions. Over 70 % of respondents identified pensions as an important issue, with 63.2 % of respondents from the South considering it to be very important. This is identified as one of the significant obstacles.

Table G.5: Pensions - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	42.1	26.3	18.4	7.9	5.3	100.0
South	63.2	15.8	15.8	0.0	5.3	100.0
Total	46.3	24	18.5	5.6	5.6	100.0

Source: Indecon/PWC Survey.

- G.7 Not surprisingly, health expenditure was identified as an important issue for a high proportion of respondents, as the table shows. In total 72.2% felt that it was important with 46.3% of these regarding this as a 'very' important barrier.

Table G.6: Health - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	42.1	26.3	15.8	2.6	13.2	100.0
South	57.9	26.3	5.3	0.0	10.5	100.0
Total	46.3	25.9	13	1.9	13.0	100.0

Source: Indecon/PWC Survey.

- G.8 Table G.7 presents information on childcare issues. This is unlikely to be of interest to all groups involved in cross-border mobility. However, it was recognised as very important by a higher percentage of respondents from the South in keeping with other issues.

Table G.7: Childcare - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	15.8	13.2	26.3	13.2	31.6	100.0
South	31.6	15.8	21.1	5.3	26.3	100.0
Total	20.4	13.0	25.9	9.3	31.5	100.0

Source: Indecon/PWC Survey.

Education

G.9 Respondents were also asked for their views on education and training issues. While a greater proportion of respondents from the North give some significance to education, a higher proportion of those from the South rate it as 'very' important. The results are set out in Table G.8.

Table G.8: Education - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	21.1	42.1	21.1	2.6	13.2	100.0
South	36.8	15.8	21.1	5.3	21.1	100.0
Total	25.9	31.5	22.2	3.7	16.7	100.0

Source: Indecon/PWC Survey.

G.10 Table G.9 shows the results for training. These are broadly the same as those for education with over half of the respondents considering it to be important.

Table G.9: Training - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	23.7	28.9	34.2	2.6	10.5	100.0
South	31.6	26.3	21.1	5.3	15.8	100.0
Total	25.9	25.9	31.5	3.7	13	100.0

Source: Indecon/PWC Survey.

G.11 Interestingly, the recognition of qualifications is identified as more important than education and training generally. Over 53.7% overall rank it as very important, with almost 74% in the South giving it this rating. Recognition of qualifications can potentially be a significant barrier for certain categories in the labour market.

Table G.10: Recognition of Qualifications - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	44.7	15.8	15.8	13.2	10.5	100.0
South	73.7	5.3	5.3	0.0	15.8	100.0
Total	53.7	11.1	13.0	9.3	13.0	100.0

Source: Indecon/PWC Survey.

- G.12 Finally in this section, employment laws are seen as more significant in the South than the North, with almost two-thirds ranking this as important. The figures show that 42.1% of individuals responding in the South rated this as very important in contrast to 21.1% in the North.

Table G.11: Employment Law - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	21.1	26.3	18.4	10.5	23.7	100.0
South	42.1	21.1	21.1	0.0	15.8	100.0
Total	27.8	22.2	20.4	7.4	22.2	100.0

Source: Indecon/PWC Survey.

Services

- G.13 Lastly, individuals were asked a number of questions in relation to housing and services such as telecommunications, banking, insurance and transport. Housing is clearly a significant issue affecting mobility given the divergence in house prices between parts of the South and the North. This was reflected in the Survey with over 50% of the respondents considering it an important obstacle. Respondents from the North were more likely to highlight housing. This is also mirrored in other elements of the Study where housing costs feature prominently.

Table G.12: Housing - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	34.2	23.7	26.3	5.3	10.5	100.0
South	15.8	21.1	15.8	10.5	36.8	100.0
Total	27.8	24.1	20.4	7.4	20.4	100.0

Source: Indecon/PWC Survey.

- G.14 Table G.13 show the results for Telecommunications charges. 42.6% of respondents felt telecommunications costs were an important issue.

Table G.13: Telecommunications Charges - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	31.6	15.8	18.4	18.4	15.8	100.0
South	15.8	26.3	21.1	10.5	26.3	100.0
Total	24.1	18.5	20.4	16.7	20.4	100.0

Source: Indecon/PWC Survey.

- G.15 Banking was rated as important by 37 % of respondents with most of these stating that it was very important. It was considered to be a marginally more important obstacle for Northern respondents.

Table G.14: Banking - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	36.8	5.3	31.6	18.4	7.9	100.0
South	31.6	5.3	15.8	15.8	31.6	100.0
Total	33.3	3.7	27.8	18.5	16.7	100.0

Source: Indecon/PWC Survey.

- G.16 Respondents were also asked about insurance costs. Table G.15 shows these results. Just over a quarter of respondents considered insurance costs to be an obstacle affecting mobility.

Table G.15: Insurance Costs - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	23.7	7.9	36.8	15.8	15.8	100.0
South	21.1	5.3	15.8	15.8	42.1	100.0
Total	18.5	7.4	31.5	16.7	25.9	100.0

Source: Indecon/PWC Survey.

- G.17 The final obstacle related to transport services. Transport is seen as a particular problem given the underdeveloped road network in certain areas along the border. Half of the respondents rated transport services as an important barrier. The response proportions are broadly similar for both Northern and Southern respondents.

Table G.16: Transport Services - % Responses

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>	<i>Total</i>
North	39.5	13.2	23.7	13.2	10.5	100.0
South	36.8	15.8	31.6	0.0	15.8	100.0
Total	35.2	14.8	27.8	9.3	13.0	100.0

Source: Indecon/PWC Survey.

Survey of Recruitment Agencies

Barriers to Mobility

G.18 The same approach as in the previous section was followed in analysing the obstacles to labour mobility identified by the recruitment agencies. It is important to note that the five agencies operating in the North also operate in the South. As a result, in the tables that follow the percentage data for the “South” are the same as the “total”. See chapter 4 for further details.

Taxation

G.19 Direct taxes, including income tax, represent a very important potential barrier to North/South labour mobility according to the recruitment agencies; 62.5% rated it as a very important factor, with almost 20 % of respondents rating it as ‘fairly important’.

Table G.17: Direct Taxes Including Income Tax

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	60	40	0	0	0
South	62.5	18.75	12.5	6.25	0
Total	62.5	18.75	12.5	6.25	0

Source: Indecon/PWC Survey.

G.20 Indirect taxes, are considered to be less significant than direct taxation as a barrier: 37.5 % of respondents identified indirect taxes as either very or fairly important.

Table G.18: Indirect Taxes Including VAT

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	20	40	40	0	0
South	25	12.5	37.5	25	0
Total	25	12.5	37.5	25	0

Source: Indecon/PWC Survey.

G.21 Vehicle importation and registration costs were also considered. This was not seen as important by most of the agencies, in contrast to the views of individuals surveyed. However, over 37 % felt it very or fairly important.

Table G.19: Vehicle Importation and Registration

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	0	60	40	0	0
South	18.75	18.75	50	12.5	0
Total	18.75	18.75	50	12.5	0

Source: Indecon/PWC Survey.

Social Expenditures

- G.22 Recruitment agencies were also asked to assess the importance of social security, pensions, health and childcare. Opinions are divided on the relative importance of social security: 50% regarded it as important with the same proportion considering it to be unimportant.

Table G.20: Social Security

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	40	20	40	0	0
South	37.5	12.5	43.75	6.25	0
Total	37.5	12.5	43.75	6.25	0

Source: Indecon/PWC Survey.

- G.23 Similarly, opinions are equally divided on the significance of pensions as a barrier to mobility. However, this factor appears to be of more importance in the experience of Northern respondents, than for those based in the South.

Table G.21: Pensions

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	40	40	20	0	0
South	25	25	43.75	6.25	0
Total	25	25	43.75	6.25	0

Source: Indecon/PWC Survey.

- G.24 A somewhat higher proportion - 62.5% in total - felt that health provision represented an important dimension to decisions regarding cross-border labour mobility. However, relatively few consider this to be 'very important'.

Table G.22: Health

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	0	80	20	0	0
South	18.75	43.75	37.5	0	0
Total	18.75	43.75	37.5	0	0

Source: Indecon/PWC Survey.

- G.25 Of the various social expenditure issues, childcare seems relatively more important than the others. Almost 70 % of respondents considered it to be important; this contrasts with the survey of individuals where only 33 % placed childcare in that category. Proportionately, this issue is seen as of greater significance by recruitment agencies in the South than the North.

Table G.23: Childcare

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	0	60	40	0	0
South	25	43.75	18.75	12.5	0
Total	25	43.75	18.75	12.5	0

Source: Indecon/PWC Survey.

Education, Training and Qualification, and Employment Law

- G.26 While education appears to have some importance as a barrier, it does not appear to be particularly critical for recruitment agencies, and views tended to cluster around the middle range. The results are set out in Table G.24.

Table G.24: Education

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/no answer</i>
North	0	80	20	0	0
South	0	50	37.5	6.25	6.25
Total	0	50	37.5	6.25	6.25

Source: Indecon/PWC Survey.

- G.27 A slightly higher proportion of recruitment agencies was prepared to give some significance to training. 56.25 % of agencies felt that training was important with most placing it in the fairly important category.

Table G.25: Training

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/no answer</i>
North	0	80	20	0	0
South	6.25	50	31.25	6.25	6.25
Total	6.25	50	31.25	6.25	6.25

Source: Indecon/PWC Survey.

- G.28 The recognition of qualifications, however, has a somewhat greater significance with most of the respondents with offices in the North, and over half in the South regarding this issue as either very or fairly important. This is an area where agencies may have particular expertise.

Table G.26: Recognition of Qualifications

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/no answer</i>
North	40	40	20	0	0
South	18.75	37.5	25	6.25	12.5
Total	18.75	37.5	25	6.25	12.5

Source: Indecon/PWC Survey.

- G.29 Views on the significance of employment law as a factor on labour mobility were somewhat spread as Table G.27 shows. The figures show that nearly forty four per cent perceived this as fairly important or very important.

Table G.27: Employment Law

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/no answer</i>
North	0	60	40	0	0
South	12.5	31.25	37.5	18.75	0
Total	12.5	31.25	37.5	18.75	0

Source: Indecon/PWC Survey.

Services

- G.30 Housing is identified as a particularly important factor, according to the findings. Over 80% of the recruitment agencies respondents identified this as very important, and almost all proposed that it was important at some level both in the North and in the South.

Table G.28: Housing

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	80	20	0	0	0
South	81.25	12.5	0	6.25	0
Total	81.25	12.5	0	6.25	0

Source: Indecon/PWC Survey.

- G.31 Telecommunications services were identified as fairly important by half of the recruitment agencies, with the remaining half considering these services as either not very important or not at all important. The results are included in Table G.29.

Table G.29: Telecommunications Charges

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	0	60	20	20	0
South	6.25	43.75	25	25	0
Total	6.25	43.75	25	25	0

Source: Indecon/PWC Survey.

- G.32 Table G.30 presents the views of recruitment agencies on the extent to which banking is felt to be a barrier to mobility. Half of the agencies felt that banking services were either a very or fairly important obstacle.

Table G.30: Banking

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	0	40	20	40	0
South	6.25	43.75	25	25	0
Total	6.25	43.75	25	25	0

Source: Indecon/PWC Survey.

- G.33 Recruitment agencies were also asked for their views on the importance of insurance costs as a potential obstacle. While it is not felt to be as important as some of the factors, almost one third of agencies thought it was a factor.

Table G.31: Insurance Costs

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	0	40	20	40	0
South	6.25	25	43.75	25	0
Total	6.25	25	43.75	25	0

Source: Indecon/PWC Survey.

G.34 Transport services are also accorded some significance. Around 56% of the agencies rated transport services as being important. This is comparable to the findings of the survey of individuals.

Table G.32: Transport Services

<i>Individual Respondents</i>	<i>Very important</i>	<i>Fairly Total</i>	<i>Not very important</i>	<i>Not at all important</i>	<i>Don't know/ no answer</i>
North	40	20	0	40	0
South	37.5	18.75	12.5	25	6.25
Total	37.5	18.75	12.5	25	6.25

Source: Indecon/PWC Survey.

Endnotes

1 A copy of this base information return is included in Appendix B.

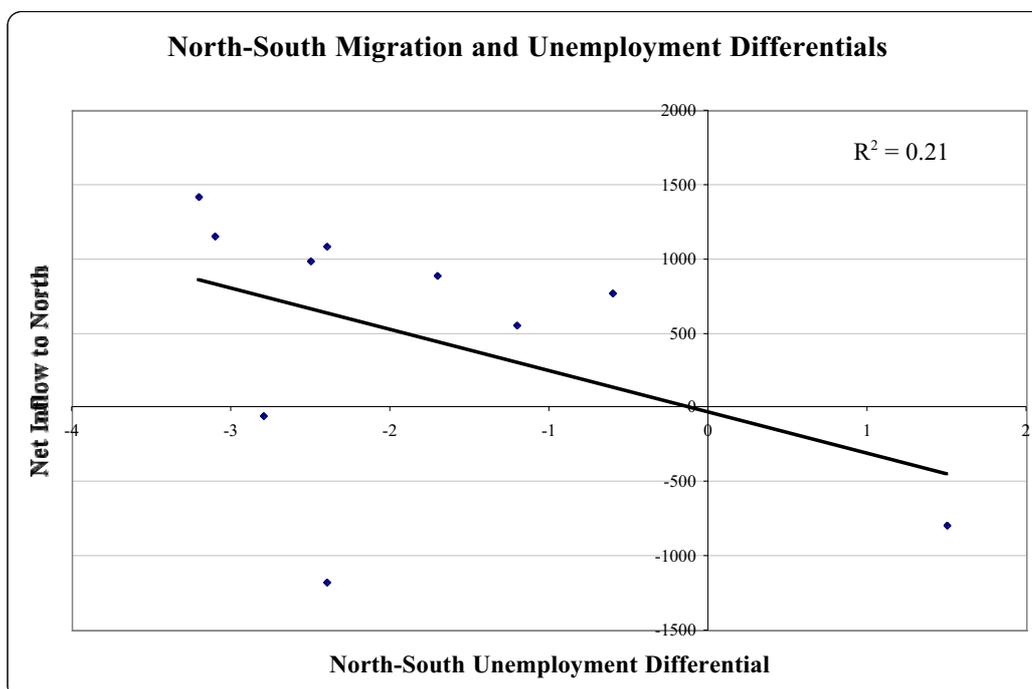
2 It should be noted that respondents from the South could have moved from the North and vice versa.

Appendix H

Regression Analysis

Regression Analysis of North/South Migration and Unemployment Differentials

- 1 This section presents an Ordinary Least Squares (OLS) regression estimation of the relationship between North/South migration and unemployment differentials in the two jurisdictions. Once again, “Net Inflow” denotes the net flow of migrants into the North from the South, while “North/South Unemployment Differential” is defined as the unemployment rate in the North minus the unemployment rate in the South. The aim of this analysis is to estimate a simple linear relationship between these two variables.
- 2 The chart below suggests that there is a negative relationship between the two variables as defined above. This is demonstrated by the downward sloping trend line (fitted OLS regression line). This would tend to confirm the conclusions drawn in the discussion of the simple correlations earlier in this section.



- 3 The estimated OLS equation explaining this relationship is:

$$NI = -27.63 - 277.95UDiff$$

(-0.06) (-1.45)

where *NI* is the net inflow variable, and *UDiff* represents the unemployment differential. The numbers in parentheses are the t-statistics.

- 4 The t-statistic associated with the explanatory variable (*UDiff*) is equal to -1.45 , and therefore we cannot reject the hypothesis that the coefficient on this variable equals zero. Furthermore, the R^2 is quite low at 0.21, suggesting that only 21% of the variation in the dependent variable (net migrant inflows) is explained by variation in the North/South unemployment differentials (the regressor).
- 5 The correlations cited earlier suggest that the lag of the independent variable (*UDiff*) should be included in our estimated model. These correlations suggested that changes in net migration flows were associated with changes in the unemployment differentials in the previous year rather than in the current year. Hence, the relationship is re-estimated, this time including the lag of the unemployment differential variable

(*UDiffLag1*). Once included, the new equation explaining net migrant inflows as a function of unemployment differentials is:

$$NI = -1366.75 - 26.74UDiff - 794.28UDiffLag1$$

(-2.19) (-0.15) (-2.50)

- 6 The R² associated with this regression is 0.62, suggesting that the model now explains 62% of the variation in the dependent variable. This suggests a better fit than the first model estimated (this is confirmed by the adjusted R² which equals 0.49). Furthermore, while the t-statistic is not significant for *UDiff*, it is significant at 99% confidence for *UDiffLag1*. This would again tend to confirm the earlier findings.
- 7 These simple OLS estimations suggest that there is a relationship between net migration and unemployment differentials, and that changes in the unemployment differential in a given year will lead to changing migratory flows in the following year. The results, however, also suggest that other factors including barriers to mobility may also be relevant in determining migratory flows.

Appendix I

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Front cover shows the Senator George Mitchell Peace Bridge which links Counties Cavan and Fermanagh on the Aghalane to Belturbet Road. Picture courtesy of Bill McBurnie Photography, Enniskillen.