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ABSTRACT

This paper builds on a study of educational differences across Ireland and Northern Ireland to explore the relationship between educational attainment, social background and wages. We find evidence of substantial wage premia across all qualification levels in Ireland relative to Northern Ireland, a pattern that is widespread, and not merely driven by higher returns to professional occupations or FDI employment. The mean wage gap was 27% in 2014 in favour of Ireland, and approximately 25% of this difference can be explained by lower levels of educational attainment in Northern Ireland. We find that

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levels of educational attainment (early school leaving) are substantially lower (higher) in Northern Ireland relative to Ireland. There is also evidence of differences in how the education level of parents affects offspring's attainment. We conclude that academic selection in Northern Ireland is likely to contribute to limiting the extent to which the educational system facilitates intergenerational educational mobility.

INTRODUCTION AND PREVIOUS LITERATURE

Recent years have seen a rapid increase in North–South comparative studies, a number of which have pointed to worrying cross-border differences in educational attainment levels. This paper builds on recent work commissioned by the Department of the Taoiseach's Shared Island Unit, in addition to summarising some of the main results of a previously published report.[1] We provide additional evidence regarding the extent to which the respective systems facilitate intergenerational educational mobility, and measure the extent to which observed gaps in attainment contribute to North–South wage differentials.

In terms of the existing literature, McGuinness and Bergin have shown substantial gaps between educational attainment levels in Northern Ireland and Ireland.[2] Furthermore, Bergin and McGuinness found that the rate of early school leaving in Northern Ireland was almost twice that of Ireland, with the analysis indicating that early school leaving in Northern Ireland is much more heavily concentrated among males and those from working-class backgrounds. It has also been suggested in a number of studies that such gaps in educational attainment are likely to be a significant factor in explaining the substantial productivity gap that has been observed between Ireland and Northern Ireland.[3]

The recent publication by Smyth et al.[4] is the first to systematically compare the education systems and outcomes in the two jurisdictions from primary to

[1] Emer Smyth, Anne Devlin, Adele Bergin and Seamus McGuinness, *A North–South comparison of education and training systems: lessons for policy*, ESRI Research Series 138 (Dublin, 2022).
[2] Seamus McGuinness and Adele Bergin, *Existing evidence and continued uncertainties surrounding a Northern Ireland border poll*, ESRI Research Bulletin 202017 (Dublin, 2020).
[3] John FitzGerald and Edgar L.W. Morgenroth, *The Northern Ireland economy: problems and prospects*, Trinity Economics Papers, TEP Working Paper 0619 (Dublin, 2019); McGuinness and Bergin, *Existing evidence and continued uncertainties surrounding a Northern Ireland border poll*; Adele Bergin and Seamus McGuinness, 'Who is better off? Measuring cross-border differences in living standards, opportunities and quality of life on the island of Ireland', *Irish Studies in International Affairs* 32 (2) (2021), 143–160.
[4] Smyth et al., *A North–South comparison of education and training systems.*

third level. Smyth et al. report marked differences, with a lower proportion of the population in Ireland having the lowest levels of educational attainment. Educational failure was also significantly higher in Northern Ireland; early school leaving was found to be between two and three times higher in Northern Ireland relative to Ireland. While both systems face challenges in tackling educational disadvantage, the mixed-methods study concluded that the continued use of academic selection in Northern Ireland, whereby students take selection tests at age eleven, with those deemed high performers continuing their education in grammar schools and the rest in secondary schools, is having significant consequences for the social and ability profile of schools and for young people's post-school choices and aspirations. These negative ramifications of academic selection have been widely discussed in the education literature for some time.[5] As a result of selection, students from disadvantaged backgrounds are much more likely to be clustered in certain schools in Northern Ireland compared with Ireland.

In what follows, we will revisit some of the main findings of Smyth et al. and build on them through a more in-depth analysis of intergenerational educational mobility and the education–earnings relationship within and between jurisdictions.

DATA AND METHODS

The data from this study are taken from the Irish and UK Labour Force Surveys (LFSs) and the 2014 Programme for the International Assessment of Adult Competencies (PIAAC) Survey of Adult Skills published by the OECD.[6] Both datasets have information on key aspects of educational attainment for both jurisdictions and, as such, they facilitate a comparative analysis. Furthermore,

[5] Martin Brown, Chris Donnelly, Paddy Shevlin, Craig Skerritt, Gerry McNamara and Joe O'Hara, 'The rise and fall and rise of academic selection: the case of Northern Ireland', *Irish Studies in International Affairs* 32 (2) (2021), 477–498; Fitzgerald and Morgenroth, *The Northern Ireland economy*; Sinéad McMurray, *Academic selection*, Northern Ireland Assembly Research and Information Service Briefing Paper 209/20 (Belfast, 2020); Vani K. Borooah and Colin Knox, 'Inequality, segregation and poor performance: the education system in Northern Ireland', *Educational Review* 69 (3) (2017), 318–336; Queen's University Belfast Centre for Shared Education and Northern Ireland Executive Office, *Investigating links in achievement and deprivation: the Iliad Study*, Vol. 3 (Belfast, 2017); Tony Gallagher and Alan Smith, *The effects of the selective system of secondary education in Northern Ireland: Main report* (Belfast, 2000).

[6] While these datasets contain a range of useful individual characteristics, e.g. gender and social background, they do not contain information on religion. As such, this aspect of the Northern Ireland schooling system is not included in this study.

the PIAAC data contain information on hourly wage rates (purchasing power parity (PPP) adjusted) that enables us to examine the relationship between education and earnings within each jurisdiction by estimating equation (1), where y_{it} represents the hourly wage level (logged) of each employee in time t, X_{ijt} represents our explanatory variables (levels of educational attainment and labour market experience), and ε_{it} is an error term capturing the unexplained elements of the wage equation.

$$y_{it} = \beta_0 + \beta_j X_{ijt} + \varepsilon_{it} \tag{1}$$

In addition to comparing the returns to education both within and between the two jurisdictions, we estimate a model that provides an indication of the extent to which any gap in earnings between the two jurisdictions is being driven by differences in levels of educational attainment. We estimate a decomposition aimed at identifying the extent to which any gaps in wages between the jurisdictions are due to (a) differences in the levels of educational attainment (endowment effects); (b) differences in the way that the education variables interact with wages between the two jurisdictions (coefficient effects); and (c) unexplained factors not included in the model. The decomposition approach applies the standard Oaxaca–Blinder decomposition approach, which takes the form:

$$\Delta Y = \left(\bar{X}NI - \bar{X}Ire\right)\beta_{Ire} + \left(\beta_{NI} - \beta_{Ire}\right)\bar{X}Ire + \left(\bar{X}NI - \bar{X}Ire\right)\left(\beta_{NI} - \beta_{Ire}\right) \tag{2}$$

The left-hand variable measures the difference in wages between the two jurisdictions; the first term on the right-hand side (RHS) measures the part of the observed gap that is explained by differences in productivity-related endowments (education levels) between the two jurisdictions and is our key measure of interest. The second RHS term measures the proportion of the difference that is related to differences in the coefficient effects for given level of endowments. The third RHS element of the equation is an interaction term that measures the proportion of the observed wage gap that is not explained by the model. The sum of the second and third elements measures the total proportion of the gap that cannot be explained by the model.

Finally, a simulation exercise is undertaken to examine what estimated hourly wages would be in Northern Ireland as a consequence of educational attainment in Northern Ireland increasing to Irish levels. This takes the form:

$$\Delta Y_{it} = \left(\bar{X}A - \bar{X}B\right)\beta_{NI} \tag{3}$$

RESULTS

In this section we present the results from our analysis; we begin by analysing key education outcomes using LFS and PIAAC data to compare levels of attainment, early school leaving, work status and the interaction between social background (as measured by parental education) and educational success/failure. The second subsection explores differences in the returns to education and the extent to which observed wage gaps are related to differences in educational attainment between the two jurisdictions.

Educational attainment

Using data from the EU LFSs for Northern Ireland (extracted from the UK LFS) and Ireland, Figure 1 shows that educational attainment levels were somewhat higher in Ireland in 2019. Among the working-age population aged 15 to 64, the proportions with a low level of educational attainment—that is, up to and including a lower secondary level of education—stood at 24% and 21% respectively for Northern Ireland and Ireland. In terms of those with a higher level of educational attainment—that is, post-secondary or above—the gap in 2019 was approximately 4 percentage points in favour of Ireland. If we restrict the sample to those aged 25 to 29 years, this gives a better idea of how the education systems have been performing more recently. While

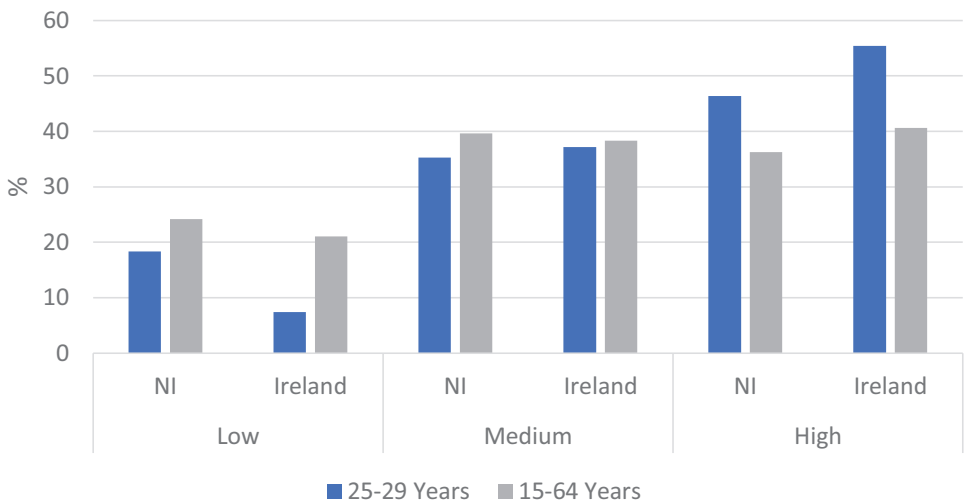

Figure 1. Educational attainment, LFS, 2019
Note: Data from the Ireland LFS and UK LFS. Low education is up to and including ISCED level 2, medium education is ISCED levels 3 and 4 and high education is ISCED levels 5 and above.

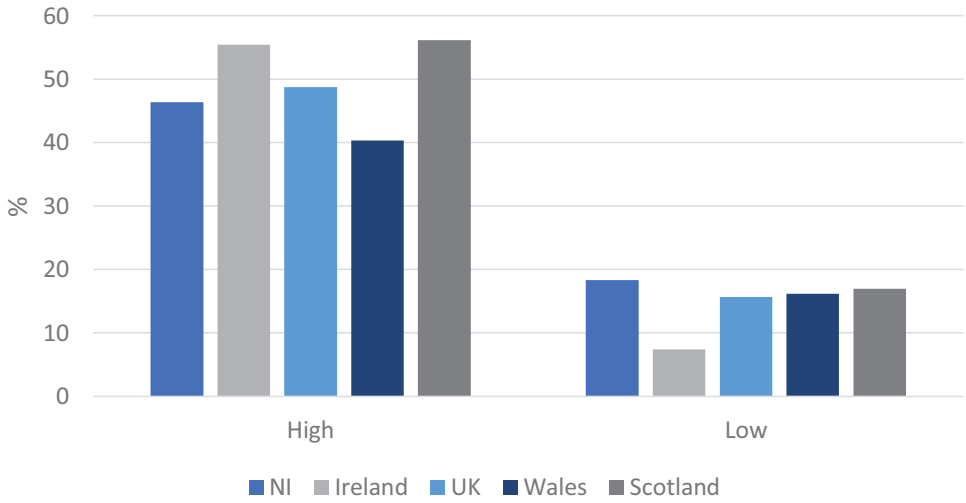

Figure 2. Educational attainment, 2019
Note: Data from the Ireland LFS and UK LFS. Low education is up to and including ISCED level 2, medium education is ISCED levels 3 and 4 and high education is ISCED levels 5 and above.

the patterns are consistent with those for the working-aged population, the results suggest that there has been substantial divergence over time, with educational attainment improving more rapidly in Ireland over the past fifteen years or so. In 2019 the proportion of young people with low levels of educational attainment was approximately 11 percentage points higher in Northern Ireland. Conversely, in 2019 the proportion of young people with high levels of educational attainment was approximately 9 percentage points lower in Northern Ireland.

In Figure 2 we compare levels of educational attainment in Northern Ireland in 2019 with the levels for Ireland, Scotland and Wales. The UK average is also included for comparison. Relative to the other devolved regions, Northern Ireland had the highest rate of persons with low qualifications and exceeded only Wales in terms of the proportions with higher level qualifications.

A key indicator of any educational system is the extent to which it retains students to the point of completing an upper secondary education; early school leaving measures the proportion of students failing to attain this level. Early school leaving is known to have long-term ramifications for individuals in terms of their labour market outcomes but also of their overall well-being. There are several measurement approaches to early school leaving; here we adopt the definition used by the OECD of those aged 16–24 who have a lower secondary (or less) level of educational attainment and are not currently in

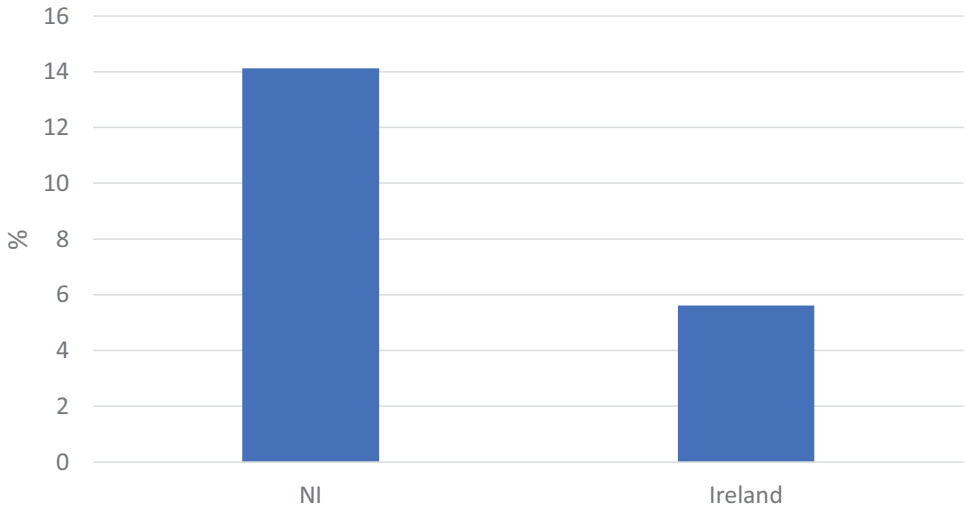

Figure 3. Early school leaving rates, 2014
Note: Data from PIAAC.

education. Using this definition and PIAAC data, we find that early school leaving is more than twice as prevalent in Northern Ireland as it is in Ireland (14.1% compared to 5.6%; Figure 3). A similar gap is found when other definitions are used.[7]

An important aspect of any education system is the extent to which it facilitates social mobility, whereby children can reach higher levels of educational attainment than their parents, which should ultimately translate into improved occupational status and earnings for them (or, at least, to maintaining the social position of their parents). The patterns of educational attainment among people aged 25–44 years from more advantaged backgrounds—that is, where at least one parent had a tertiary qualification—are broadly similar in Ireland and Northern Ireland in terms of the proportions obtaining tertiary qualifications (Figure 4). More distinct differences exist at the other end of the spectrum. In Northern Ireland, 25% of individuals whose parents have no upper secondary qualification attain only a primary education, while this is just 6% in Ireland. At the other end, 21% whose parents have no upper secondary qualification attain a post-secondary or higher qualification compared to 49% in Ireland. The descriptive evidence would suggest that the education

[7] Smyth et al., *A North–South comparison of education and training systems.*

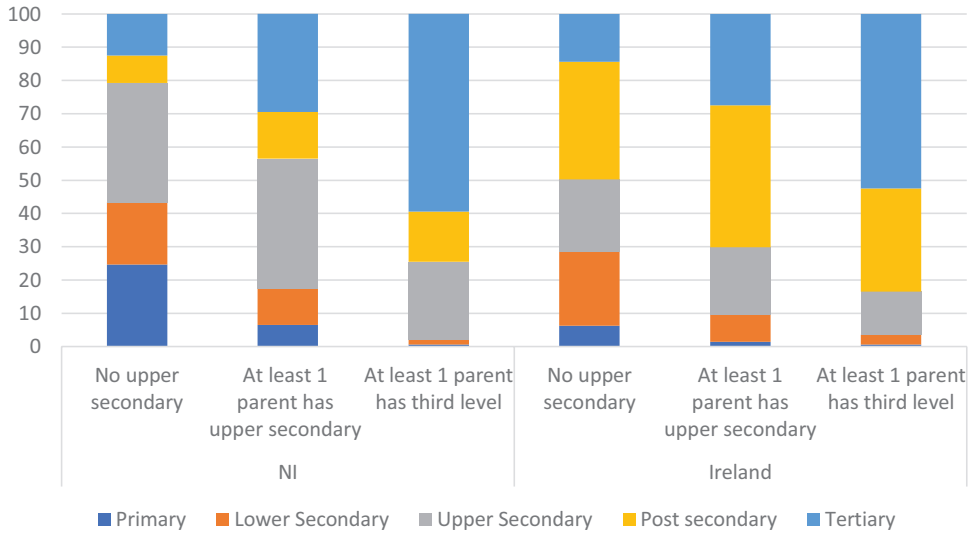

Figure 4. Educational attainment by parents' education
Note: Data from PIAAC. People aged 25–44.

system in Ireland is associated with higher rates of social mobility relative to Northern Ireland.

We can measure the relative impact of social mobility more formally by estimating a model that regresses student educational outcomes on parental education. The marginal effect of the impact of low parental education on the probability of a child having a poor educational outcome is about twice as large in Northern Ireland as is the case in Ireland (Figure 5). With regard to early school leaving, an individual in Northern Ireland whose parents have a low education is 27 percentage points more likely than their peers whose parents have higher educational attainment to be an early school leaver; the same marginal effect equates to only 13 percentage points in Ireland.

A desirable feature of any educational system in developed economies is the facilitation of educational mobility, whereby children exceed, or at least match, the educational achievements of their parents. Educational mobility tends to be a necessary condition for earnings mobility, which can then lead to the next generation achieving an improved economic status. An educational system that does not facilitate mobility will tend to perpetuate social and economic inequalities over generations. Figure 6 plots the proportions of young people (25–34 years) exceeding their parents' educational attainment levels (educational upgrading), matching them or achieving a lower level of education than their parents (educational downgrading). A priori, because of

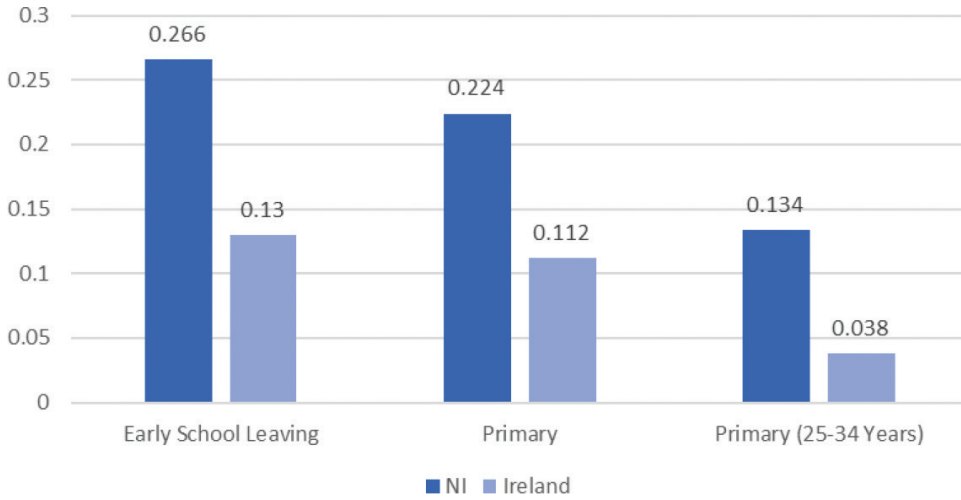

Figure 5. Marginal effect of parents' education
Note: Data from PIAAC.

lower levels of educational attainment among the working-age population in Northern Ireland, we might reasonably expect, ceteris paribus, educational upgrading to be more pronounced relative to Ireland. However, using PIAAC data we found that a proportion of young people in both jurisdictions fail to achieve the education levels of their parents. The extent of young people educationally downgrading relative to their parents was 17% in both Northern Ireland and Ireland. However, the proportion of young people matching their parents' educational levels was higher in Northern Ireland compared to Ireland (Figure 6), while the proportions who exceed their parents' education level was higher in Ireland: 38% of young people in Ireland educationally upgrade, compared to 29% in Northern Ireland.

We next assess the extent to which patterns of educational mobility in both regions vary by gender. Rates of educational downgrading were higher among young males in both jurisdictions; however, the gender discrepancy is much greater in Northern Ireland than in Ireland (Figure 7). Young men in Ireland are 4 percentage points more likely to educationally downgrade than young women, compared to an 8 percentage point difference in Northern Ireland.

It is reasonable to conclude that the continued use of academic selection in Northern Ireland is likely to be a contributory factor limiting the extent to which the Northern Irish educational system facilitates intergenerational mobility.

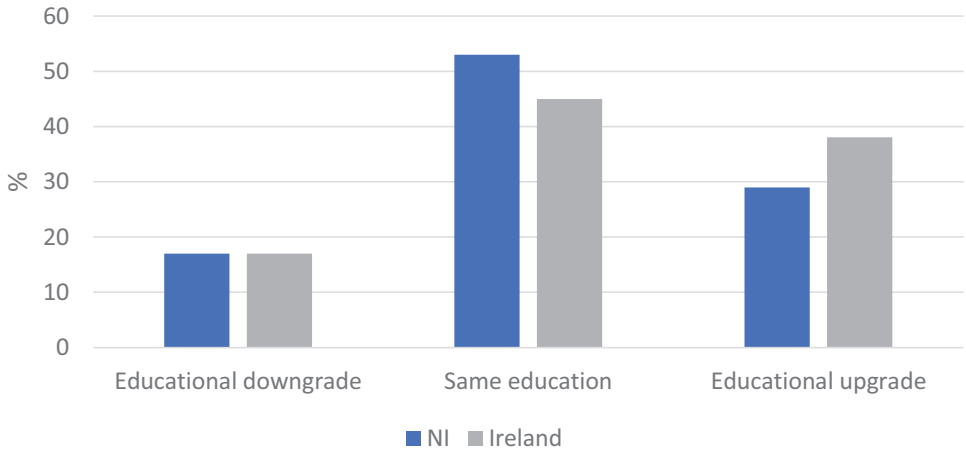

Figure 6. Intergenerational transmission of education, 2014, 25–34 years

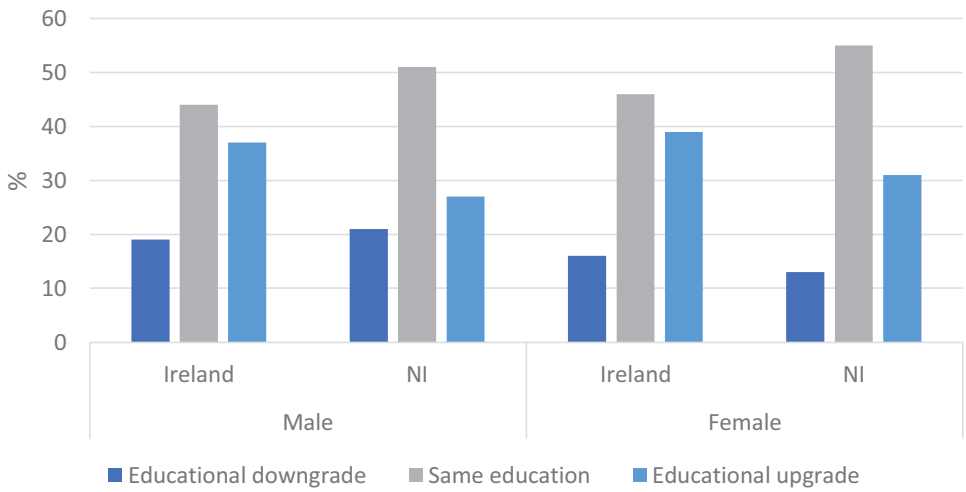

Figure 7. Intergenerational transmission of education by gender, 2014, 25–34 years

We also look at educational mobility based on parents' level of education in the two jurisdictions; this is based on the educational level of the parent with the higher attainment. It is clear from Figure 8 that educational mobility is much more prevalent in Ireland than it is in Northern Ireland for those whose parents have lower levels of attainment. At the lowest levels of parents' educational attainment, 77% of young people in Ireland educationally upgrade compared to 58% in Northern Ireland. At the other end, when parents have high levels of educational attainment, educational downgrading

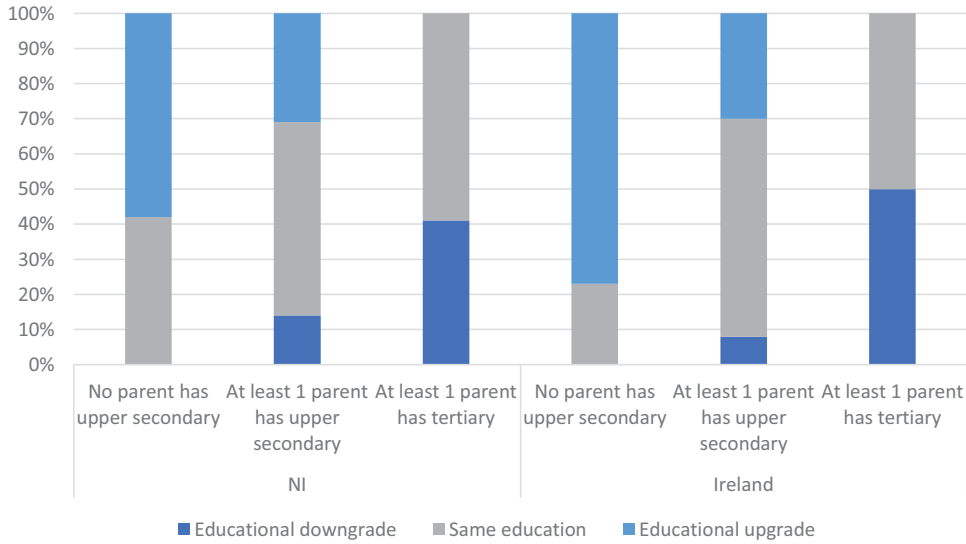

Figure 8. Educational mobility by parents' education, 2014, 25–34 years

is somewhat more likely in Ireland. However, it is likely that the grouping of parents' education into three categories[8] and in particular the grouping together of upper secondary and post-secondary may be hiding some upward mobility. The way that parents' education is recorded in PIAAC means that if a person has a post-secondary qualification and their parent has at most an upper secondary qualification, upward educational mobility is not captured in the data. Given that post-secondary qualifications are much more common in Ireland than in Northern Ireland, we believe there to be more educational upward mobility in Ireland than can be clearly distinguished here.

To overcome this, in Figure 9 we examine the educational qualifications of young people based on their mobility. Among those who educationally downgrade relative to their parents, we can see stark differences between Northern Ireland and Ireland: 10% of young people who downgrade in Northern Ireland have a post-secondary qualification compared to 33% in Ireland. At the other end, 42% of those who upgrade in Northern Ireland have an upper secondary qualification while this is only 30% in Ireland, and those in Ireland are much more likely to have the highest levels of attainment.

[8] Parents' education in the PIAAC data is in three categories: ISCED 1, 2 and 3C short; ISCED 3 (excluding 3C short) and 4; ISCED 5 and 6. Individuals' educational attainment was then mapped to the same categories. Parents' education is taken from the highest education level of both parents.

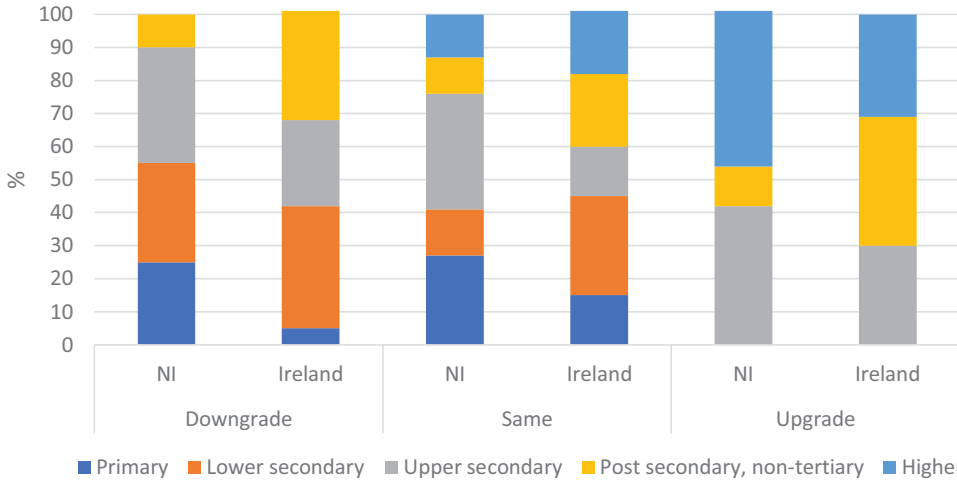

Figure 9. Educational mobility and mobility status, 2014, 25–34 years

Table 1. Determinants of being a high earner, 2014

	Ireland			Northern Ireland		
Low parent education	−0.07***	−0.12	−0.02	−0.06***	−0.10***	0.00
Own education (ref: primary)						
Lower secondary			0.07			0.06*
Upper secondary			0.15***			0.15***
Post-secondary			0.17***			0.29***
Third level			0.48***			0.50***
Male		0.02	0.03**		0.03	0.04**
Experience		0.01***	0.01***		0.01***	0.01***
R2	0.01	0.05	0.20	0.00	0.03	0.23
N	2679	2679	2679	1837	1837	1837

Note: ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Finally, in Table 1 we model the probability that an individual will be in the top 20% of wage earners in each jurisdiction. The probability of being a high earner increases linearly by education and labour market experience and is also higher for males. In Ireland, males are 3 percentage points more likely to be a high earner than females after controlling for education, parents' education and experience. In Northern Ireland it is 4 percentage points. In the first two

Table 2. Mean hourly earnings 2014 (PPP-adjusted)

	Northern Ireland	Ireland	Difference
Primary	12.17	16.19	33%
Lower secondary	12.83	17.7	38%
Upper secondary	14.54	17.58	21%
Post--secondary	18.11	20.04	11%
Higher	21.49	28.93	35%

Note: Data from PIAAC.

columns for each jurisdiction, parental education has a statistically significant effect on being a high earner, i.e. those whose parents have a low education are less likely to be a high earner than is the case when there are no controls (first specification) and when gender and experience are controlled for (second specification). When own education is controlled for, this relationship becomes statistically insignificant (third specification). That we find no impact of parental education when own education is controlled for suggests that the principal barrier to wage mobility is likely to relate to lack of educational mobility, which is more substantial in Northern Ireland relative to Ireland.

Earnings

An important factor in decisions related to educational investments is the expected wage return that students are likely to receive. Lower earnings premia may reflect lower levels of worker productivity, and large differentials between regions will tend to result in a migration of skills from the lower wage region that will tend to exacerbate any deficiencies in productivity that are driving the lower returns. Given the growing literature pointing towards a significant productivity deficiency in Northern Ireland[9] and a significant productivity gap in favour of Ireland,[10] a priori some wage differences between the jurisdictions are likely.

In Table 2 we show mean hourly wages in Northern Ireland and Ireland by education level in 2014. While the PIAAC data account for exchange rate and price differences between Ireland and the UK, we make a further adjustment

[9] David Jordan, 'Northern Ireland's productivity problem', National Institute of Economic and Social Research, *UK Economic Outlook* (Box D) (London, summer 2022).

[10] McGuinness and Bergin, *Existing evidence and continued uncertainties surrounding a Northern Ireland border poll.*

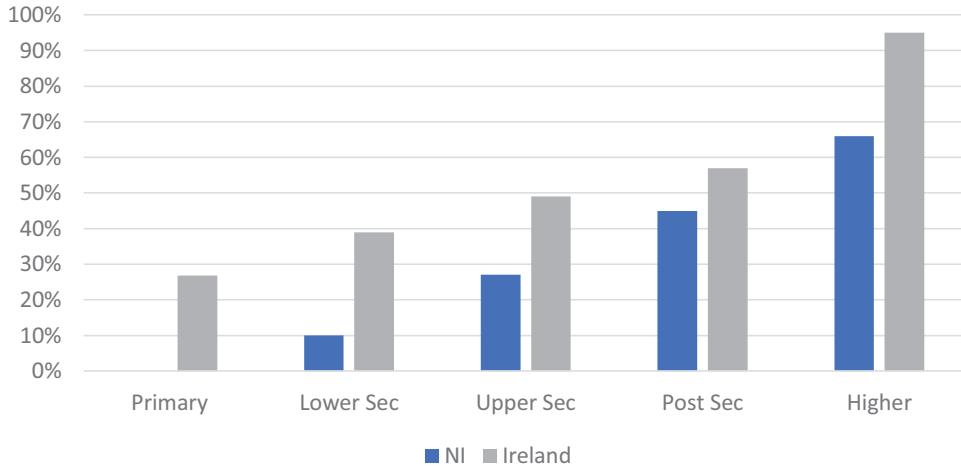

Figure 10. Wage premia by level of education (relative to Northern Ireland primary)

to account for the lower prices in Northern Ireland compared to the UK average. There are differences in mean earnings in excess of 30% for three of the five educational categories; the wage gap is highest for individuals with a lower secondary education and graduates and lowest for those with a post-secondary, non-tertiary qualification level. The wage gaps, somewhat surprisingly, are quite stable across education groups and do not increase with the level of qualification. This is an important finding given that higher wages in Ireland compared to Northern Ireland are often attributed to foreign direct investment (FDI) in high-tech, high-paying sectors. That the wage differential is lowest at post-secondary level, a level uncommon in Northern Ireland,[11] points to a shortfall in supply of and/or a demand for this level of qualification.

We next estimate returns more formally using a wage equation framework that controls for educational attainment, labour market experience, age and gender. In order to directly compare educational returns across jurisdictions and within education levels, we estimate a model pooling the Northern Ireland and Ireland data. Primary-level educational attainment in Northern Ireland is used as the reference category. Individuals in Ireland in work with a primary education earn 27% more than their counterparts in Northern Ireland (Figure 10). Within Northern Ireland, employees with a third-level education earn 66% more than those in Northern Ireland with a primary education. It is obvious from the chart that (a) all groups of employees earn substantially

[11] Smyth et al., *A North–South comparison of education and training systems.*

Table 3. Difference in rate of return

Primary	27%***
Lower secondary	29%***
Upper secondary	22%***
Post-secondary	12%***
Higher	29%***

Note: Data from PIAAC. ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

more than the reference group, (b) returns to education increase in a linear fashion with educational attainment and (c) the returns to education for each educational group are higher in Ireland relative to Northern Ireland.

We next carry out post-estimation tests that formally measure the difference in the coefficients between jurisdictions and within educational levels; the results are reported in Table 3. They follow a similar pattern to the descriptive statistics in Table 2: after accounting for gender and labour market experience, the educational wage premia in Ireland relative to Northern Ireland are close to 30% for primary education, lower secondary qualifications and higher qualifications; the premia were somewhat lower for upper secondary and post-secondary qualifications at 22% and 12% respectively. The results confirm that the wage advantage in Ireland is widespread and not merely driven by professional occupations or higher-value-added FDI employment.

We next attempt to quantify the proportion of the observed wage gap that we can attribute to differences in the educational endowments of the two regions, and the results from the decomposition analysis described in equation 2 are reported in Table 4. These show that the mean wage gap across the two regions was 27% in favour of Ireland and approximately 25% of this difference can be explained by lower levels of educational attainment in Northern Ireland compared to Ireland.

Oaxaca–Blinder decomposition analysis

Finally, we ran a simulation exercise to examine how Northern Ireland hourly wages would increase if Northern Ireland had the levels of educational attainment that Ireland has. We ran a regression model whereby education was the sole predictor of Northern Ireland wages; this model gave an estimated average hourly wage of €15.93 in Northern Ireland. When we simulated the same model with Irish educational attainment levels, this increased to €16.81. The results suggest that, ceteris paribus, were levels of educational attainment

Table 4. Decomposition results

Northern Ireland (log of hourly wages)	2.72***
Ireland (log of hourly wages)	2.99***
Difference	−0.27***
Explained	−0.05***
Unexplained	−0.22***
Explained	
Age	0.00
Gender	−0.01***
Education	−0.07***
Experience	0.01***
Sector	0.01***
Unexplained	
Age	0.21**
Gender	−0.03
Education	−0.04
Experience	−0.14***
Sector	−0.07***
Constant	−0.15

Notes: Pooled Oaxaca–Blinder decomposition analysis using PIAAC data. Age, gender, education, experience and sector are all controlled for in the regression model. ***$p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Table 5. Results of simulation exercise

	Estimated	Simulated	Difference
Northern Ireland hourly wage (PPP-adjusted, €)	15.93	16.81	+6%

to rise to those of Ireland, this would result in an increase of 6% in the average hourly wage of Northern Ireland employees. This is in line with the findings from our Oaxaca–Blinder decomposition model (Table 5).

SUMMARY AND CONCLUSIONS

This paper builds on an earlier study of education in Northern Ireland and Ireland to further explore the relationship between educational attainment

and work status, intergenerational mobility and earnings. With respect to patterns of educational attainment, we find that substantial divergence has occurred over time, with educational attainment improving more rapidly in Ireland relative to Northern Ireland in the past 15 years. By 2019 the proportion of young people (25- to 29-year-olds) with low levels of educational attainment was approximately 11 percentage points higher in Northern Ireland, while the proportion with high levels of educational attainment was approximately 9 percentage points lower in Northern Ireland. These differences were not evident in 2005. Northern Ireland also compared unfavourably to other UK constituent countries, particularly Scotland. Northern Ireland had the highest rate of persons with low qualifications and only Wales had a lower proportion of people with higher level qualifications.

The goalposts as to what should be the minimum level of educational attainment expected as the norm change over time. Currently, the ability to retain children to the point of completing an upper secondary education is a key objective in Ireland and Northern Ireland (among many others). Early school leaving measures the proportion of young people failing to attain this level. Early school leaving is particularly important as the long-term ramifications for individuals in terms of their labour market outcomes but also of their overall well-being are well documented. Adopting the OECD definition of early school leaving, we find that it is more than twice as prevalent in Northern Ireland as it is in Ireland (14.1% compared to 5.6%). Furthermore, while coming from a more disadvantaged background is a significant predictor of educational failure in both jurisdictions, the impact was more pronounced in Northern Ireland. The marginal effect of the impact of low parental education on the probability of a child having a poor educational outcome is about twice as large in Northern Ireland as is the case in Ireland.

We also assess the extent to which both educational systems facilitate educational mobility, whereby children exceed, or at least match, the educational attainment levels of their parents. Educational mobility is generally a necessary condition for occupational and earnings mobility whereby the children can achieve an improved economic status over that of their parents. In both regions we in fact found evidence of educational downgrading, whereby a person's educational attainment actually falls below that of their parents. The extent of educational downgrading among young people was approximately 17% in both jurisdictions. On the other hand, 38% of young people in Ireland exceeded their parents' level of education compared to 29% in Northern Ireland. Given the low levels of education in Northern Ireland among older cohorts,

we might have anticipated educational upgrading to be more prevalent in the North. The continued use of academic selection in Northern Ireland, and the associated economic cost and social inequality associated with the selection system, is likely to be a contributory factor limiting the extent to which the educational system in Northern Ireland facilitates intergenerational educational and earnings mobility. The level of educational upgrading also reflects the improvements in educational attainment seen in Ireland in recent years, which have not been mirrored in the North.

With respect to earnings, we find evidence of substantial wage premia across all qualification levels in Ireland relative to Northern Ireland. After accounting for gender and labour market experience, the educational wage premia in Ireland over Northern Ireland are just under 30% for employees educated to primary level or holding either lower secondary qualifications or higher level qualifications. The qualification premia of Irish over Northern Irish credentials were somewhat lower for upper secondary and post-secondary qualifications at 22% and 12% respectively. The results suggest that the wage advantage in Ireland is widespread and not driven by professional occupations or higher-value-added FDI employment, despite these often being cited as drivers of high wages in Ireland. Finally, the results from the decomposition model show that the mean wage gap across the two jurisdictions in 2014 was 27% in favour of Ireland, and approximately 25% of this difference can be explained by lower levels of educational attainment in Northern Ireland compared to Ireland.

In conclusion, the paper highlights the value of a comparative perspective in unpacking the extent to which different educational systems shape inequalities in educational attainment and subsequent economic outcomes.