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Republic of Ireland Head Office

Professor Peter Clinch
Chairperson, National Competitiveness Council
c/o NCC Secretariat
Department of Jobs,
Enterprise and Innovation,
23 Kildare Street, Dublin 2

29th April 2016

Dear Professor Clinch,

On behalf of Unite the Union I would like to express our concern at the presentation of labour cost data in 'The Cost of Doing Business in Ireland 2016'. In particular, we are concerned that the presentation, based on incomplete measurements, can mislead and confuse the public debate over wage levels in the economy.

I attach a research note from our Research Department. We argue that the NCC uses incomplete measurements in presenting data on labour growth. This can result in drawing conclusions that do not reflect the actual conditions in the Irish labour market; for instance, the NCC statement that:

'While labour cost growth has remained modest in recent quarters, it has grown by more in Ireland (2.1%) than on average across the EU-28 (1.9%) and euro area (1.2%).'

This gives an inaccurate depiction. We provide a critique of the NCC's use of the Eurostat data in the attached research note and provide a more accurate description. This leads to two reasonable conclusions: that Irish labour cost growth lags behind European averages and that Irish labour costs fall below those of comparable European countries.

The public and policy-makers need and deserve an evidence-based analysis of labour costs in order to assess alternative policy approaches to the many issues that inform our economic competitiveness. In this regard we welcome the NCC's Consultation on the NCC Competitiveness Framework, to which Unite will be making a submission.

Thank you for your time and consideration.

Yours sincerely,

A handwritten signature in black ink that reads 'Jimmy Kelly'.

Jimmy Kelly
Regional Secretary