

I suggest that

1. pay of Accounting Officers (who are usually the same people as Secretaries General of Government Departments) be set at the same level as that for Teachtaí Dála (TDs), even if that means raising the pay of TDs.

Reason:

- a) We, citizens, from whom all state power is derived, transfer that power to TDs during elections.
- b) TDs are the people authorised to pass legislation and adopt other measures which enable our State to operate, including the raising of funds through taxation/levies/duties/charges/mandatory contributions at many levels and borrowing.

2. The pay of all senior public servants (elected and appointed) be set by tying it to the median wage in the economy of the Republic of Ireland.

Reason:

- a. To ensure that those in senior positions maintain an enduring and institutionally based tie with the pay/conditions prevalent throughout the whole economy, not just those in white collar office-based jobs and occupations;
- b. To promote a sense of awareness of where the financial resources of the state are sourced;
- c. The public authorities now deem the median wage to be a good enough basis for setting a living wage. The same logic should also apply to using the median wage as a basis for determining the pay of senior public servants – appointed and elected.<sup>1</sup>;
- d. .... *the policy-makers (that is the politicians and the senior civil servants who advise them) are all in a completely different income bracket and have no idea what life is like for the average worker. This is compounded by the fact that those policymakers also think that most workers are better off than they*

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<sup>1</sup> Tánaiste outlines proposal to bring in living wage for all. Press Release 14 June 2022.

Dept. of Enterprise Trade and Employment .

<https://www.gov.ie/en/press-release/8556d-tanaiste-outlines-proposal-to-bring-in-living-wage-for-all/>

*actually are, due to relying on misleading statistics on the average salary in Ireland.*

***The median versus the mean***

*Policymakers rely on the Central Statistics Office (CSO) for their information on the average income of workers and the CSO publishes quarterly and annual income releases on earnings and income for full and part-time workers....*

*..... While the median average is the value that is slap bang in the middle of the list of numbers. Both averages have their uses, but in the case of salaries, it is generally acknowledged that the mean average doesn't tell us what a typical worker earns, while the median average is a really good indicator. <sup>2</sup>*

Such a change is necessary to counteract

3. the lack of responsibility that was clear during the celtic craziness eg.
  - i. the comments made by then Senator Joe O'Toole (a public sector trade union official, President of the Irish Congress of Trade Unions 2001-2003) in a debate on the 2003 Finance Bill
 

*....On the positive side, any day we stuff €500,000 into the back of the ATM machine cannot be bad. I look forward to restocking it in the course of negotiations over the next couple of weeks to ensure that the flow is maintained.....<sup>3 4</sup>*

See Appendix for another example of the celtic craziness

4. The questionable reliability of how economically wealthy the economy of our state is.

Patrick Honohan, former Governor of the Central Bank has raised this issue.

- *Ireland is a prosperous country, but rankings based on per capita GDP data place Ireland much too high, according to former Central Bank Governor, Patrick Honohan in an Economic Letter.*

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<sup>2</sup> Felix O'Rourke: Opinion: 64% of Irish workers earn less than the average salary. theJournal.ie 1 April 2019 [HTTPS://JRNL.IE/4562071](https://jrnl.ie/4562071)  
[https://www.thejournal.ie/readme/opinion-64-of-workers-in-ireland-earn-less-than-the-average-salary-4562071-Apr2019/?utm\\_source=shortlink](https://www.thejournal.ie/readme/opinion-64-of-workers-in-ireland-earn-less-than-the-average-salary-4562071-Apr2019/?utm_source=shortlink)

<sup>3</sup> Seanad Éireann. Budget Motion- Wednesday, 4 Dec 2002 Vol. 170 No. 19  
<https://www.oireachtas.ie/en/debates/debate/seanad/2002-12-04/6/?highlight%5B0%5D=budget&highlight%5B1%5D=2003>

<sup>4</sup> Benchmarking awards give a lot for a little. Public sector pay awards do not appear to be dependent on any commitments to change, so we could end up paying more while services... Irish Times 1`5 August 2003  
<https://www.irishtimes.com/business/benchmarking-awards-give-a-lot-for-a-little-1.369688>

- *The distorting effects of multi-national firm activity on national statistics, as well as Ireland's relatively high prices are the main cause.*<sup>5</sup>

*The well-known distortions affecting Ireland's GDP complicate international comparisons. Ireland is a prosperous country, but per capita GDP data mislead by placing it second only to Luxembourg in the EU. Other measures, such as the Human Development Index, are also marred. Modified data provide an indication of the extent of the re-ranking that it is warranted*<sup>6</sup>

5. This resetting of the basis for pay determination is needed given the complete change of the economic and political paradigms on which current institutional arrangements are based eg.
  - a. The breakdown of the post WW2 multilateral rules-based order, as evidence by the Russian invasions of Ukraine in 2014 and 2022;
  - b. BREXIT;
  - c. Our membership of the Euro zone;
  - d. The OECD brokered agreement on a minimum tax rate for multinational corporations, which has yet to come into force;
  - e. The global shifts in manufacturing and trade patterns;
  - f. Demographic patterns within Ireland, Europe and the world;
  - g. The effects of the combination of conflict, climate change and pandemics (eg. COVID-19) cannot be estimated with certainty.

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<sup>5</sup> Economic Letter: Is Ireland really the most prosperous country in Europe?

<https://www.centralbank.ie/news-media/press-releases/press-release-economic-letter-is-ireland-really-the-most-prosperous-country-in-europe-04-january-2021>

<sup>6</sup> Patrick Honohan *Is Ireland really the most prosperous country in Europe?* Central Bank of Ireland Economic Letter. Volume 2021. No. 1

## Appendix

**Figure 1. In 2009, the Taoiseach had the second highest salary of some leaders of major economies<sup>7</sup>**



<sup>7</sup> Anthony Lavelle. *The Information: World Leaders Salaries*. Financial Times Magazine. 28 March 2009