

A Fair Recovery for Ireland?

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www.nuim.ie/newdeals

A New Course for Better Times
ICTU, Mansion House, April 2014

Which Model for Recovery?

	Social Spending, 2002 (% GDP)	Average 'Structural' Fiscal Balance 1999-2007 (% 'potential' GDP)
Nordic Social Democracies	36.6	0.3
Continental Christian Democracies	32.5	-1.7
Liberal (UK & Ireland)	27.5	-2.5
Mediterranean	26.6	-4.0

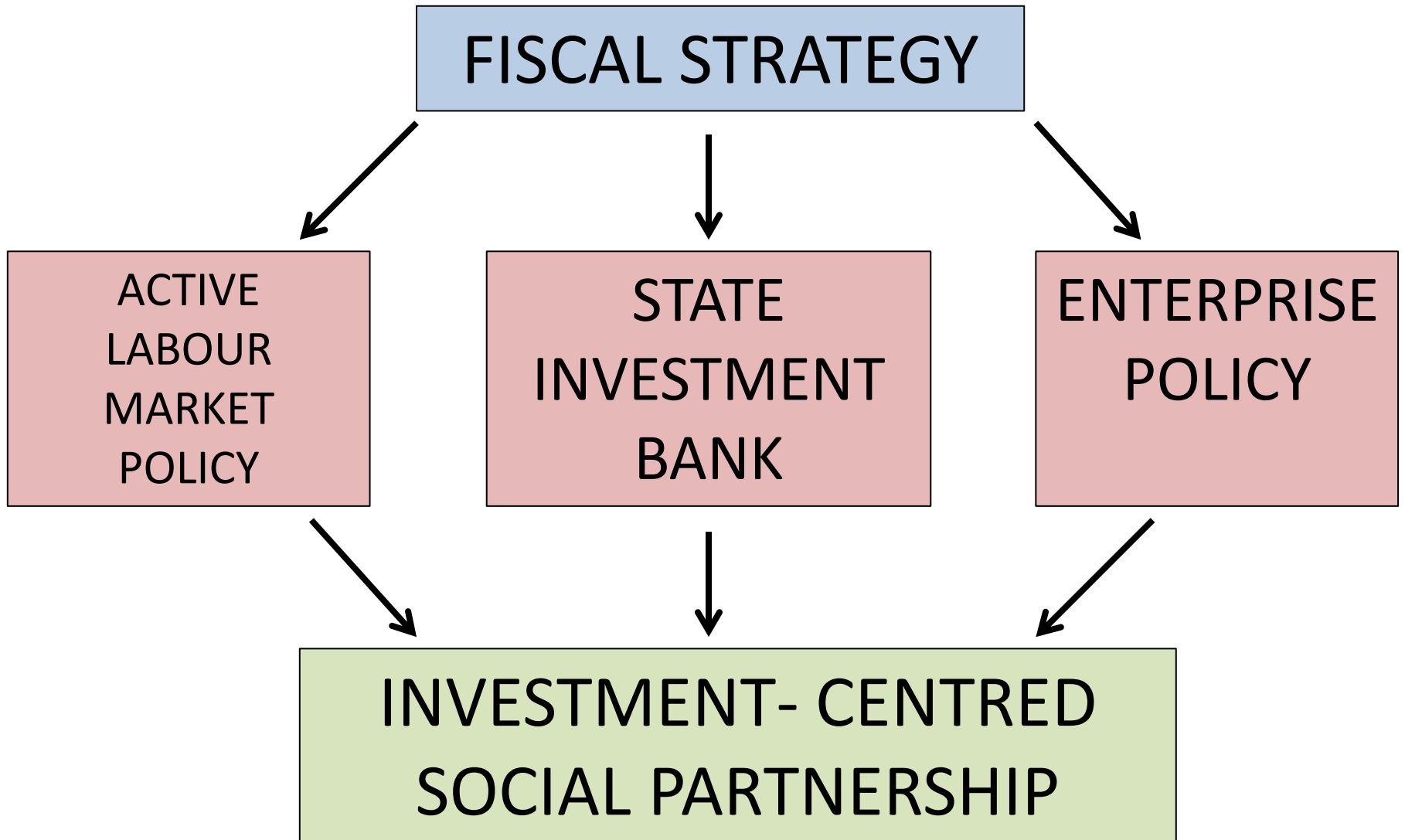
Investment and Empowerment: The Missing Link

	'Social Investment', 2000 (% GDP)	Average Business R&D Investment 1999-2007 (% GDP)	% 'Learning' Organisation of Work, 2000 (Lorenz & Valeyre)
Nordic Social Democracies	11.3	2.26	53
Continental Christian Democracies	9.6	1.42	47
Liberal (UK & Ireland)	8.1	0.97	29
Mediterranean	7.0	0.40	24

Europe's Perverse Policy Mix

	<i>EUROPE 2008-2013</i>	LIBERAL CAPITALISMS	SOCIAL MARKET CAPITALISMS
Macro-Economic Management	<i>FISCAL CONSERVATISM</i>	KEYNESIAN MONETARY POLICY 'Quantitative Easing'	FISCAL CONSERVATISM
Supporting Real Economy Recovery	<i>'CONFIDENCE' AND PRIVATE INVESTMENT</i>	'CONFIDENCE' AND PRIVATE INVESTMENT	STATE-LED INVESTMENT

The Investment Diamond



Fiscal Choices: Strategy in Difficult Times

- Trade-offs are possible
 - Investment / cuts
 - ‘Multipliers’, time horizons
 - Policy mixes, not silver bullets
- Build-up of our technical knowledge in this area is crucial
 - Fiscal Council does not have this role or capacity
 - Expert knowledge and public results – what will we use the new expertise in the civil service for?

State Investment Bank: Cornerstone of a New Financial System

	Pre-2013 Funds	Ireland Strategic Investment Fund
Mandate	Pension Fund Returns	Development Investment (national, strategic and commercial)
Mechanism	Collection of Funds	Investment Committee
Funding	<i>Static</i>	<i>Organisational Link to NTMA – can raise funds</i>
Link to Rest of State System	<i>Informal</i>	<i>Indirect</i>



STATE
INVESTMENT
BANK

LABOUR MARKET
POLICY
UK-style
processing vs
focal point
for social
supports and
development

ENTERPRISE
POLICY
Narrowly
Targeted vs
Broader
Based

INVESTMENT
INFRASTRUCTURE



A New Social Partnership

