



**The Irish Economy:  
A Partnership  
Perspective  
May 2001**

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Director General  
IBEC**

- **National recovery**
- **Success factors**
- **Current threats**

# Economic Climate Pre 1988



**Employment**

**Falling**

**Unemployment**

**Rising**



**Emigration**

**Rising**



**Living Standards**

**Stagnant**



# Economic Climate Pre 1988 (2)



**Real Pay**

**Falling**



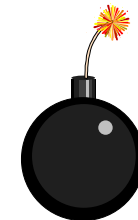
**Personal Taxation**

**Rising**

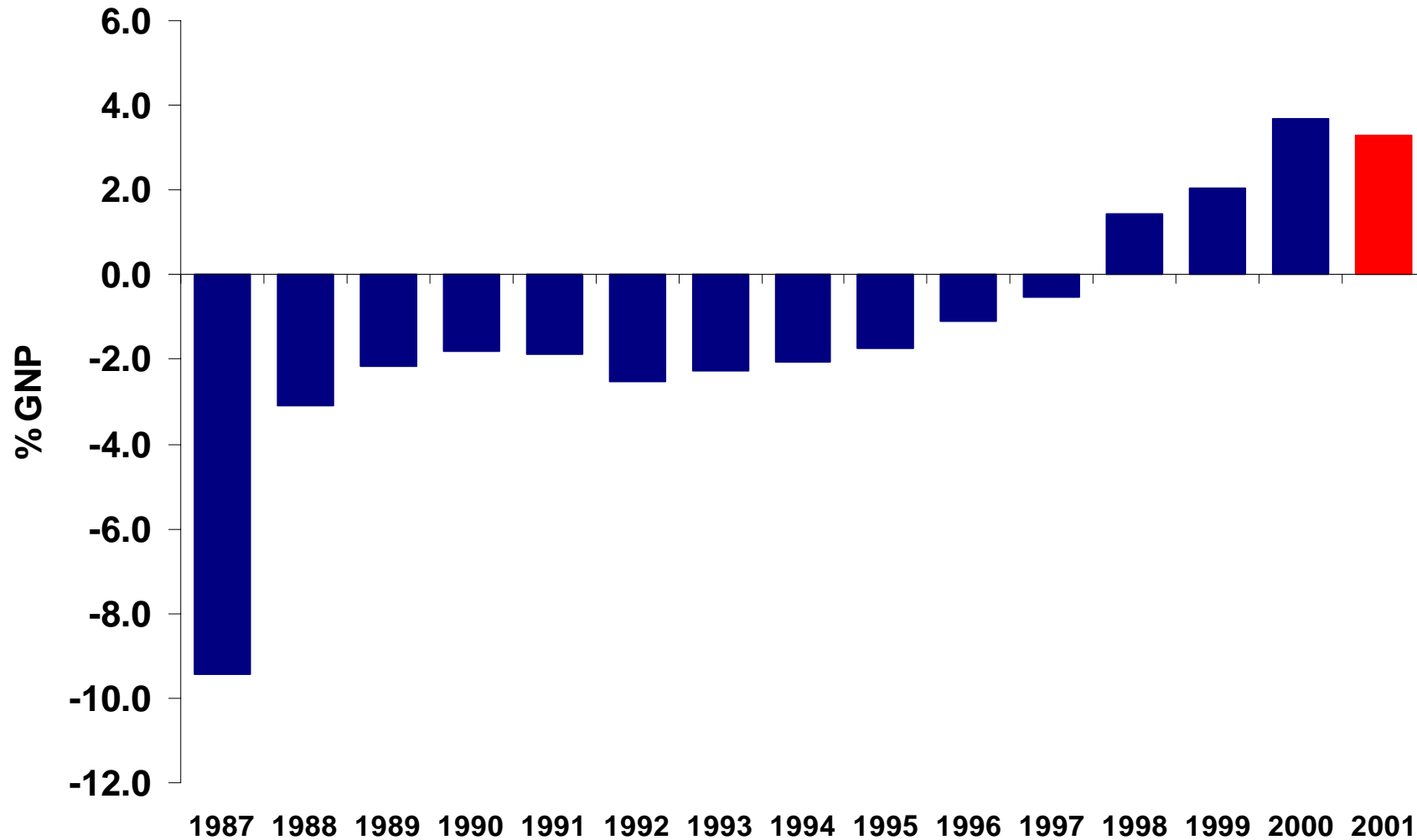


**Public Finances**

**in Crisis**

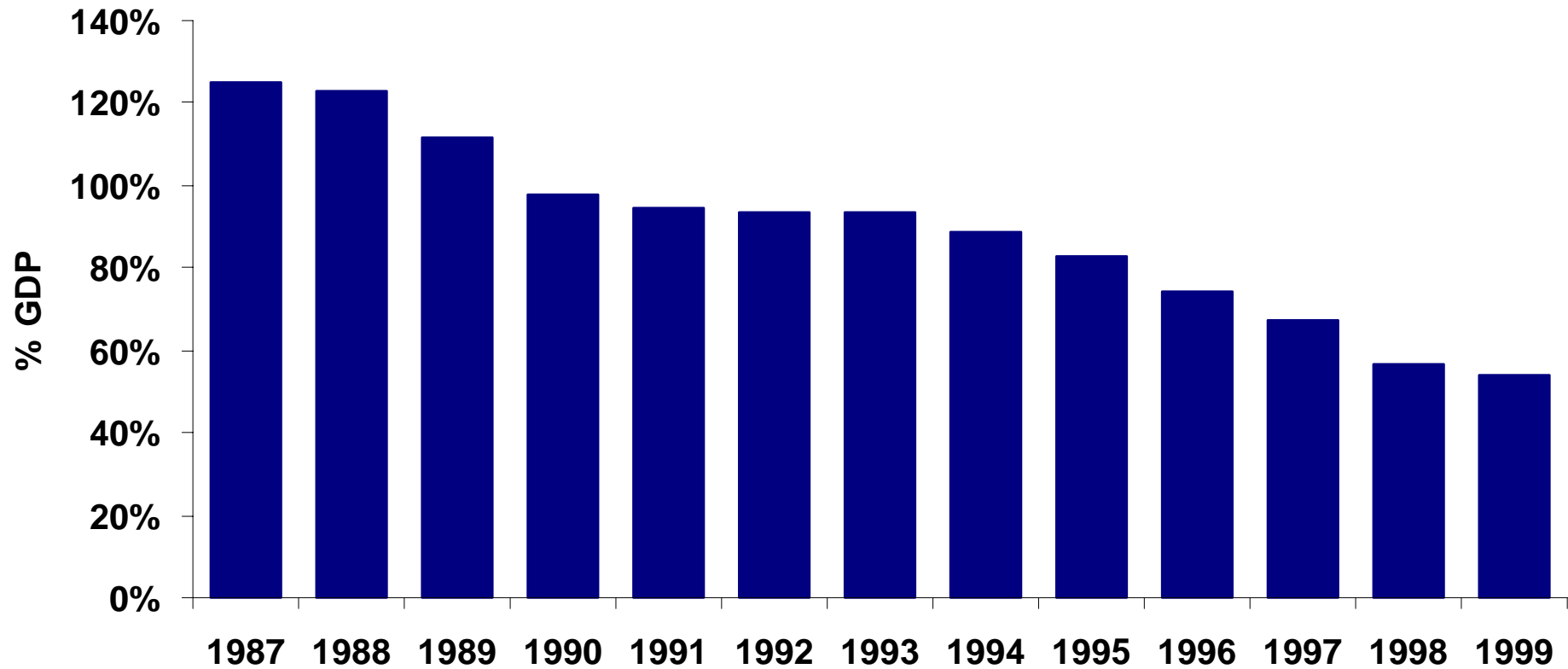


# Exchequer Balance % GNP



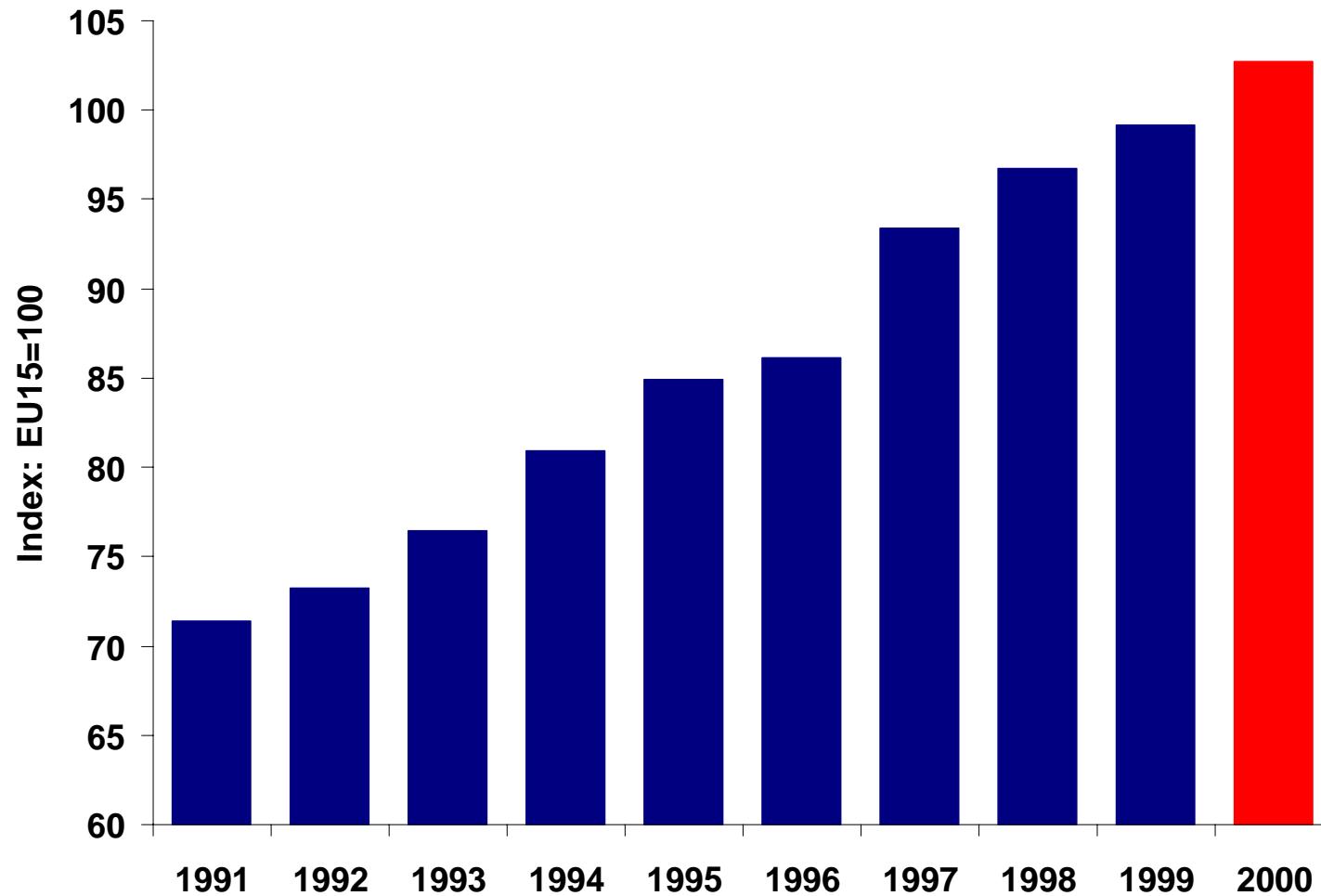
Source: CSO

# National Debt



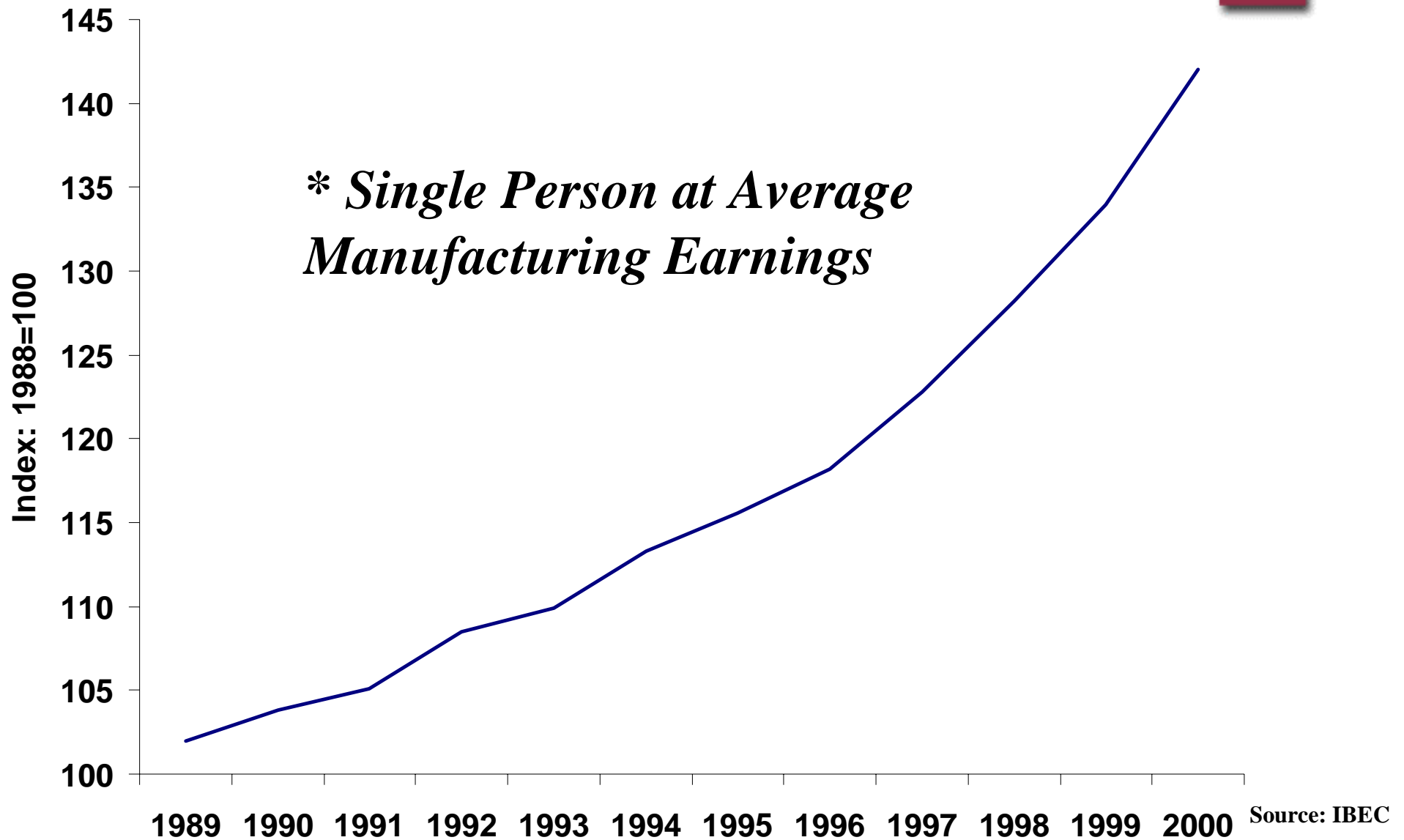
Source: Department of Finance

# GNP per capita relative to EU

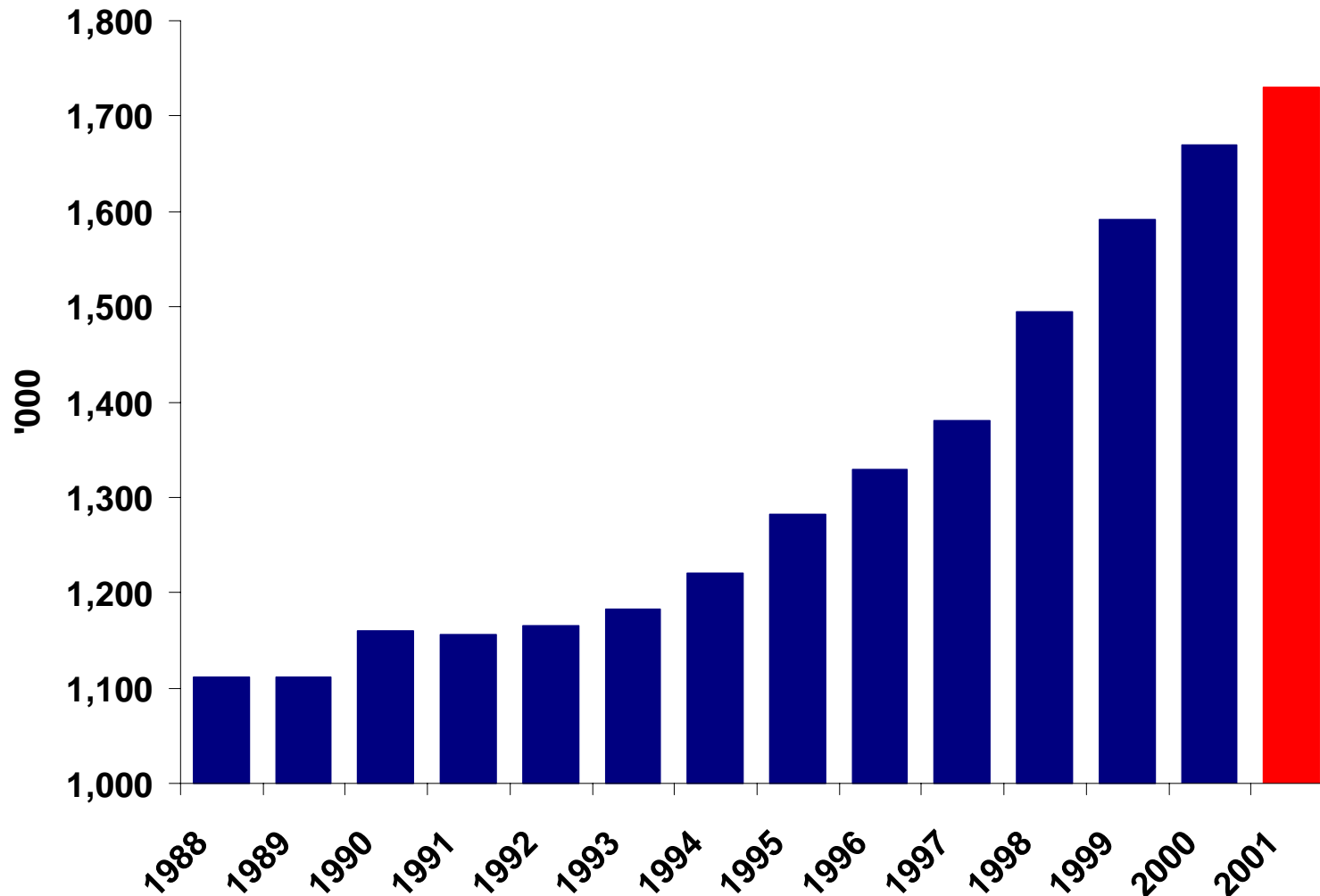


Source: EU Commission

# Real Increases in Net Earnings

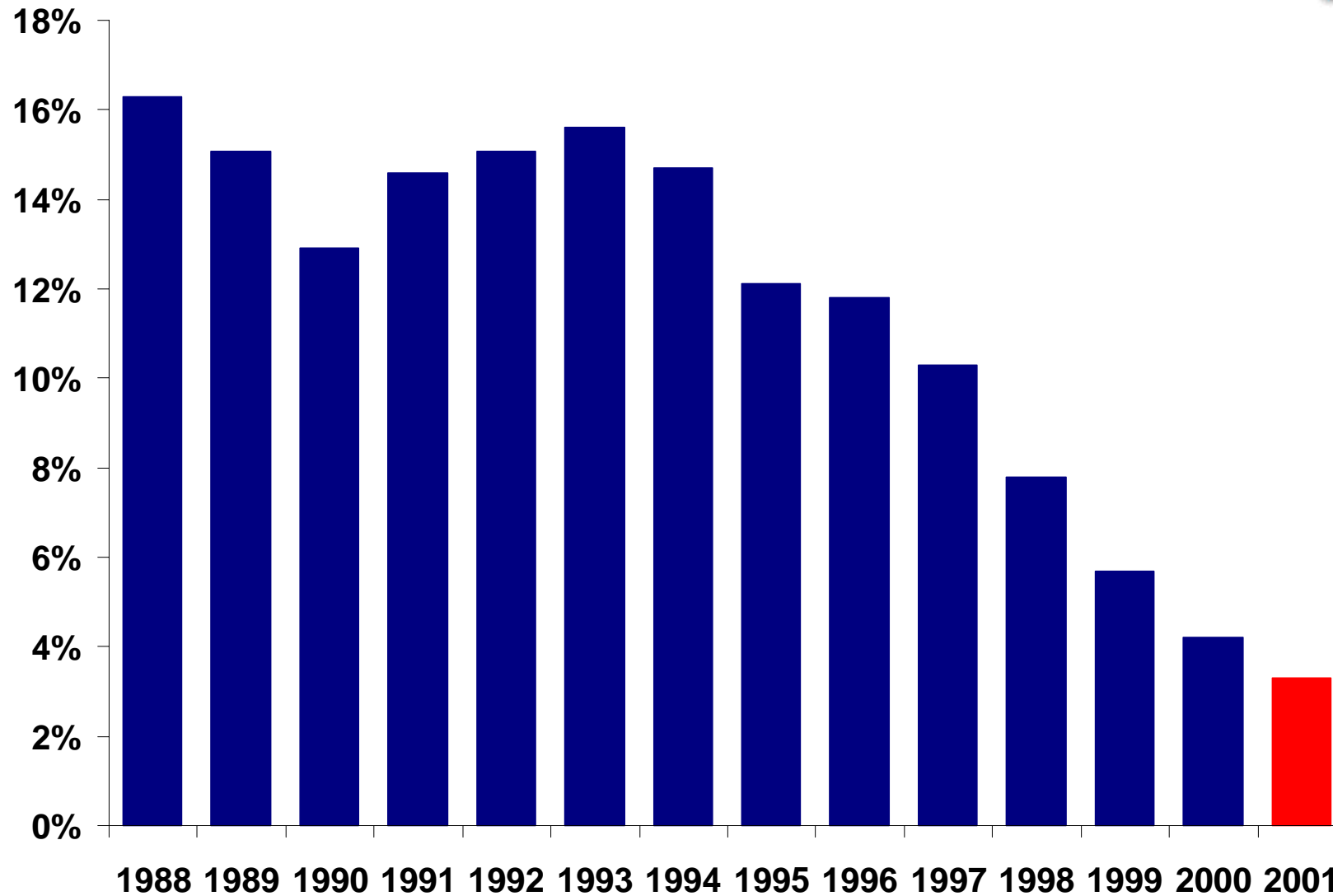


# Total Employment, 1988-2001



Source: CSO/IBEC

# Unemployment, 1988-2001



Source: CSO/IBEC

# Female Labour Force Participation



%

**1988**

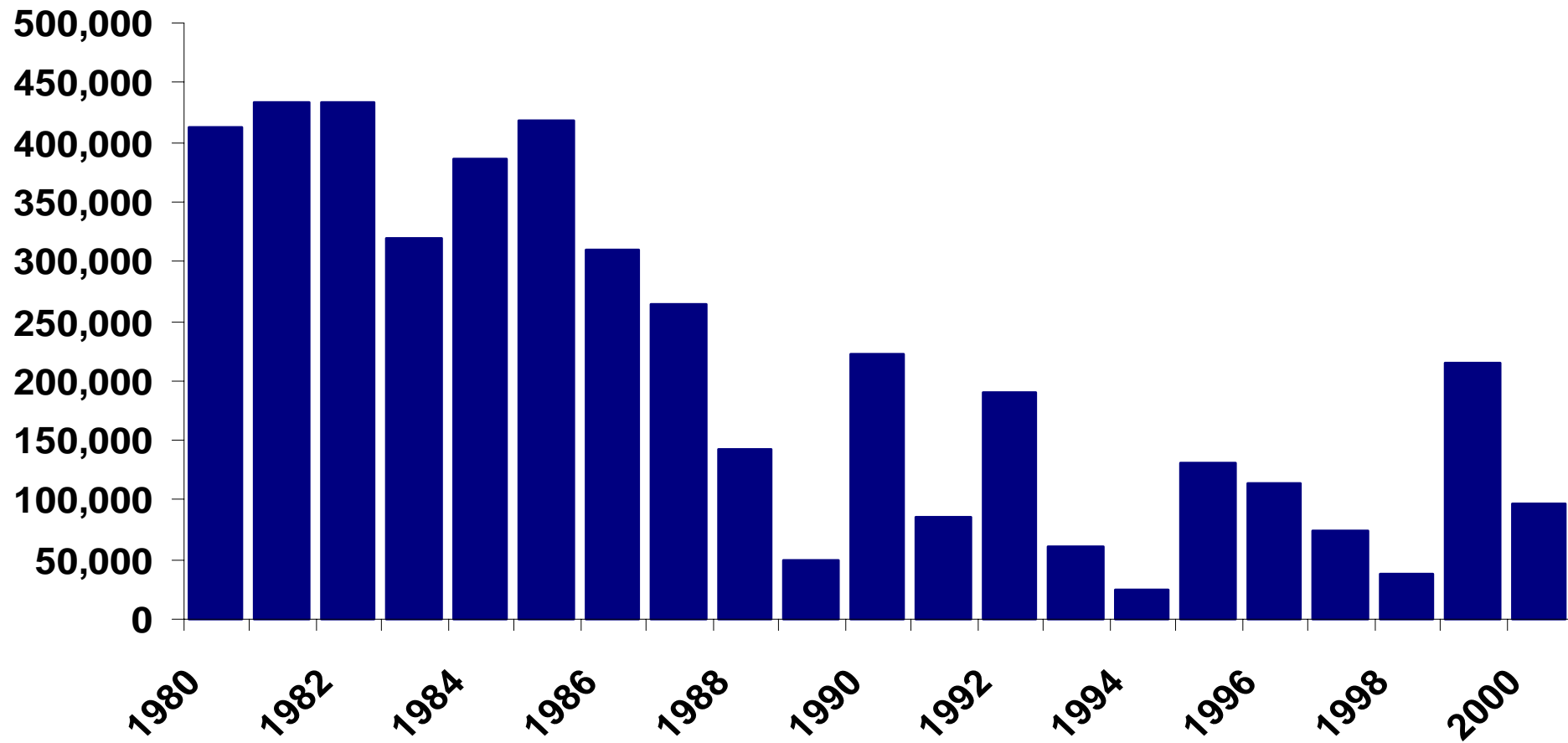
**34.5**

**2000**

**47.0**

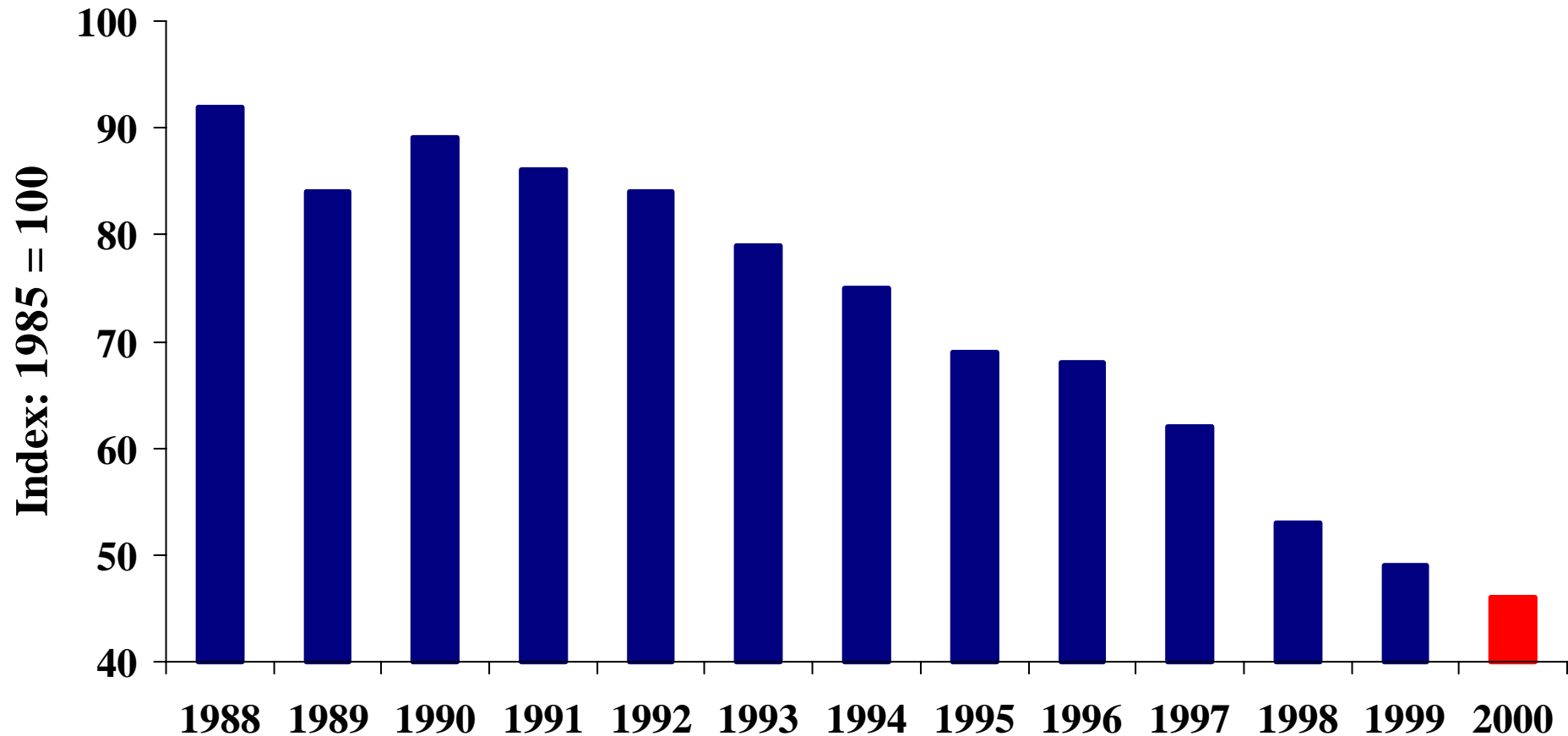
Source: CSO

# Days Lost due to Industrial Disputes



Source: CSO

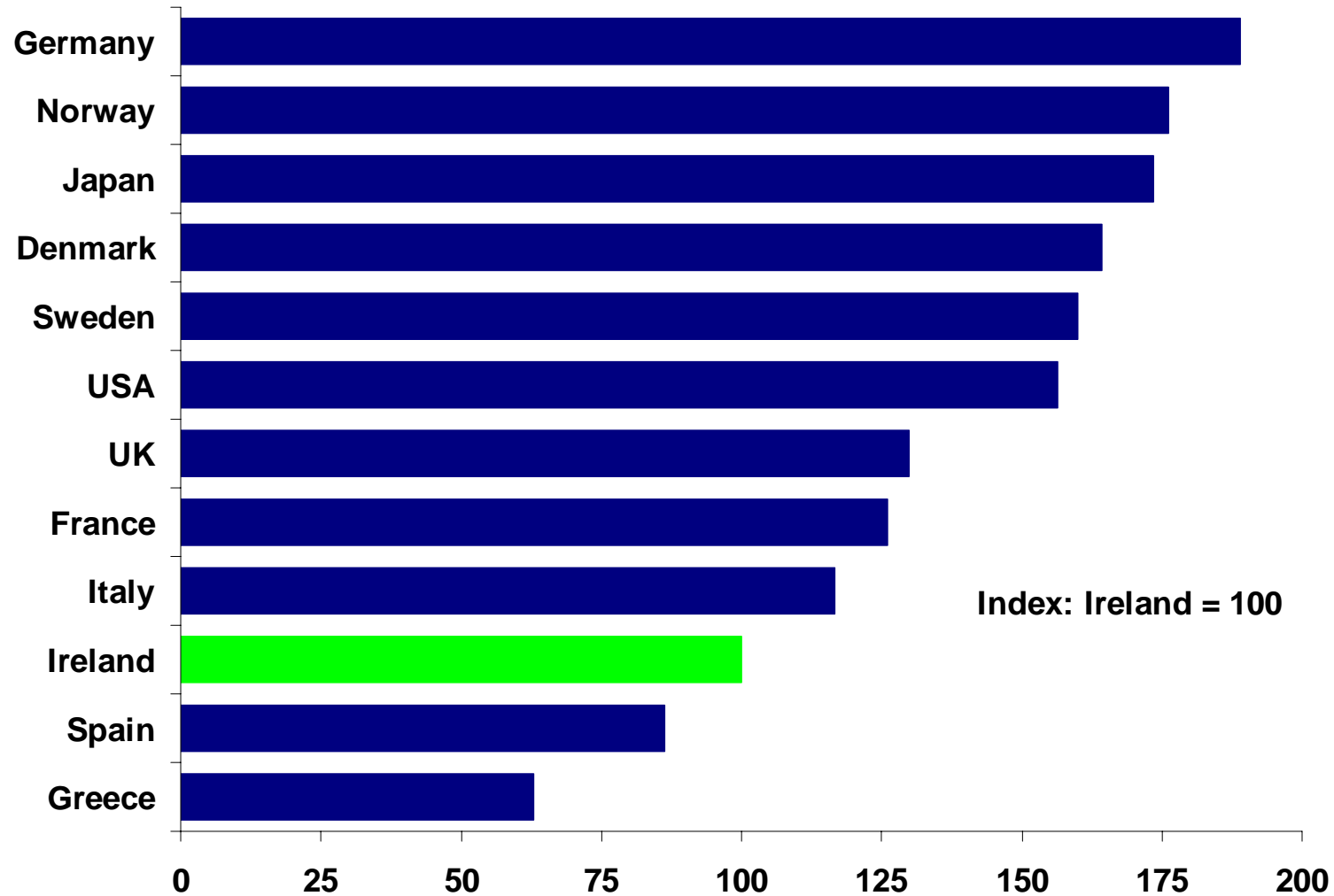
# Relative Unit Labour Costs



Irish Manufacturing Relative to Trading Partners

Source: Central Bank

# Labour Costs





# Success factors...

# Economic Transformation (1)



- **1958 Open to FDI**
- **1973 Joined EEC**
- **1979 Joined EMS**

## *Post 1988 Factors*

- **Demographic Dividend**
- **Investment in Education/ Training**
- **EU Transfers**
- **Single Market/Maastricht Criteria**

## *Post 1988 Factors*

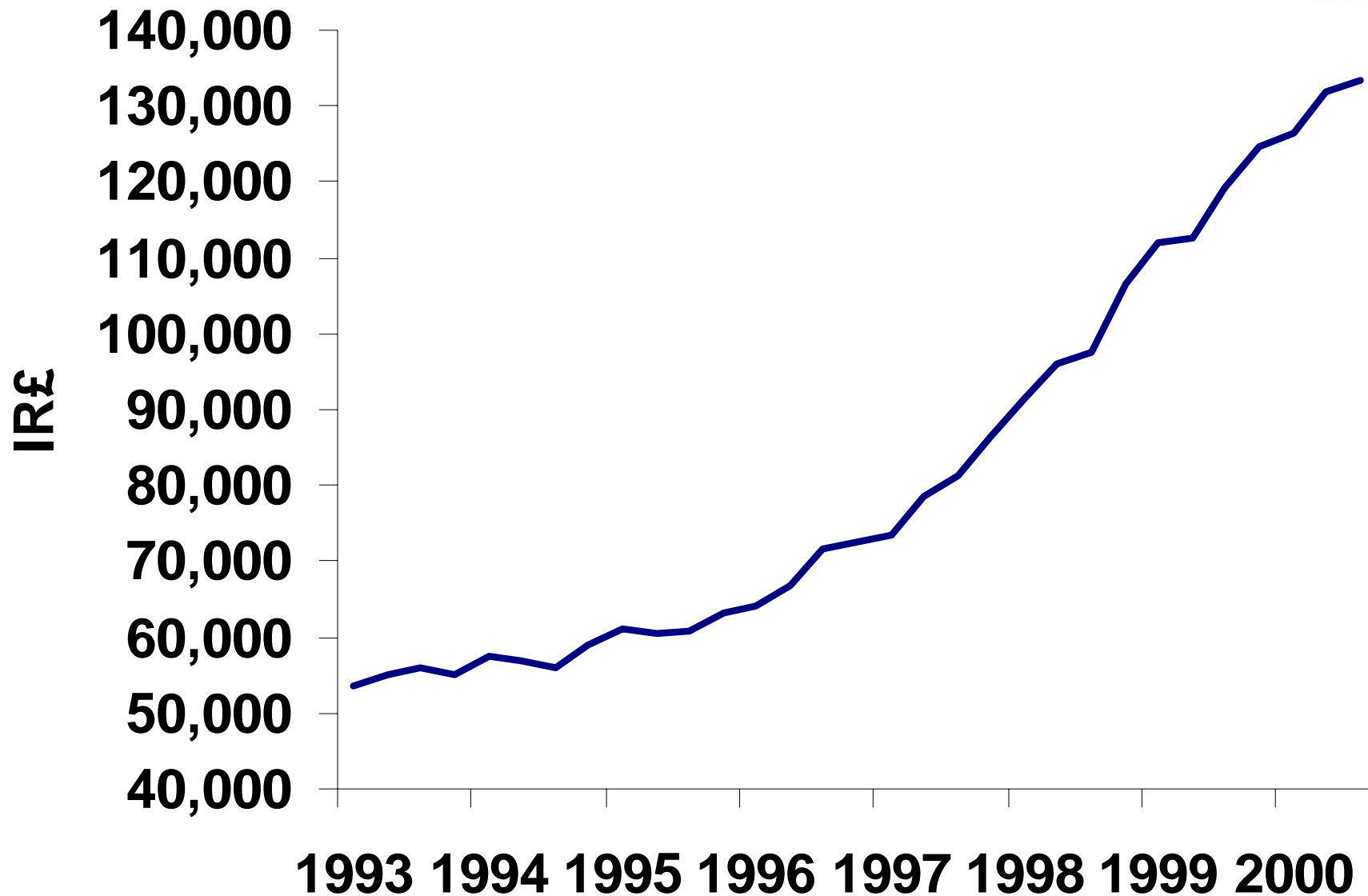
- **Corporate Taxation**
- **FDI**
- **Social Partnership**
- **Luck**

**What could halt progress?**



**What Could  
Halt Progress ...**

# New House Price Increases

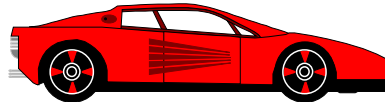


# Transport Pressures



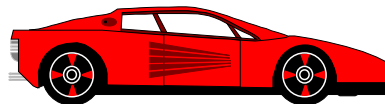
## Average Journey Speed- Dublin

1991



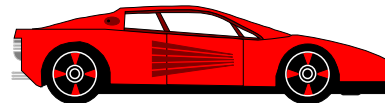
22 kph

1997



14 kph

2016

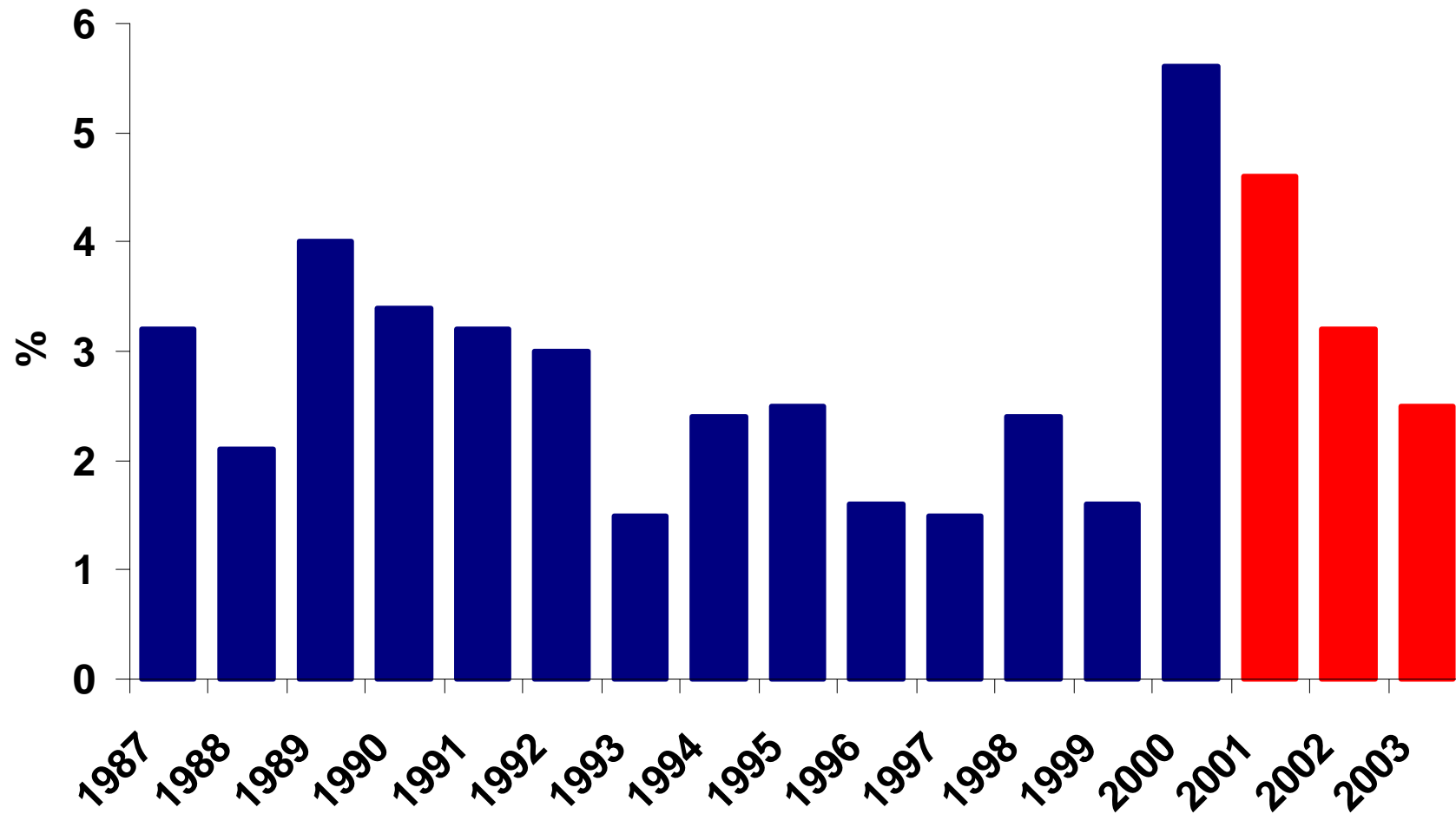


8 kph

Even after implementation of National Development Plan

Source: Dublin Transportation Office

# Inflation, 1987-2003



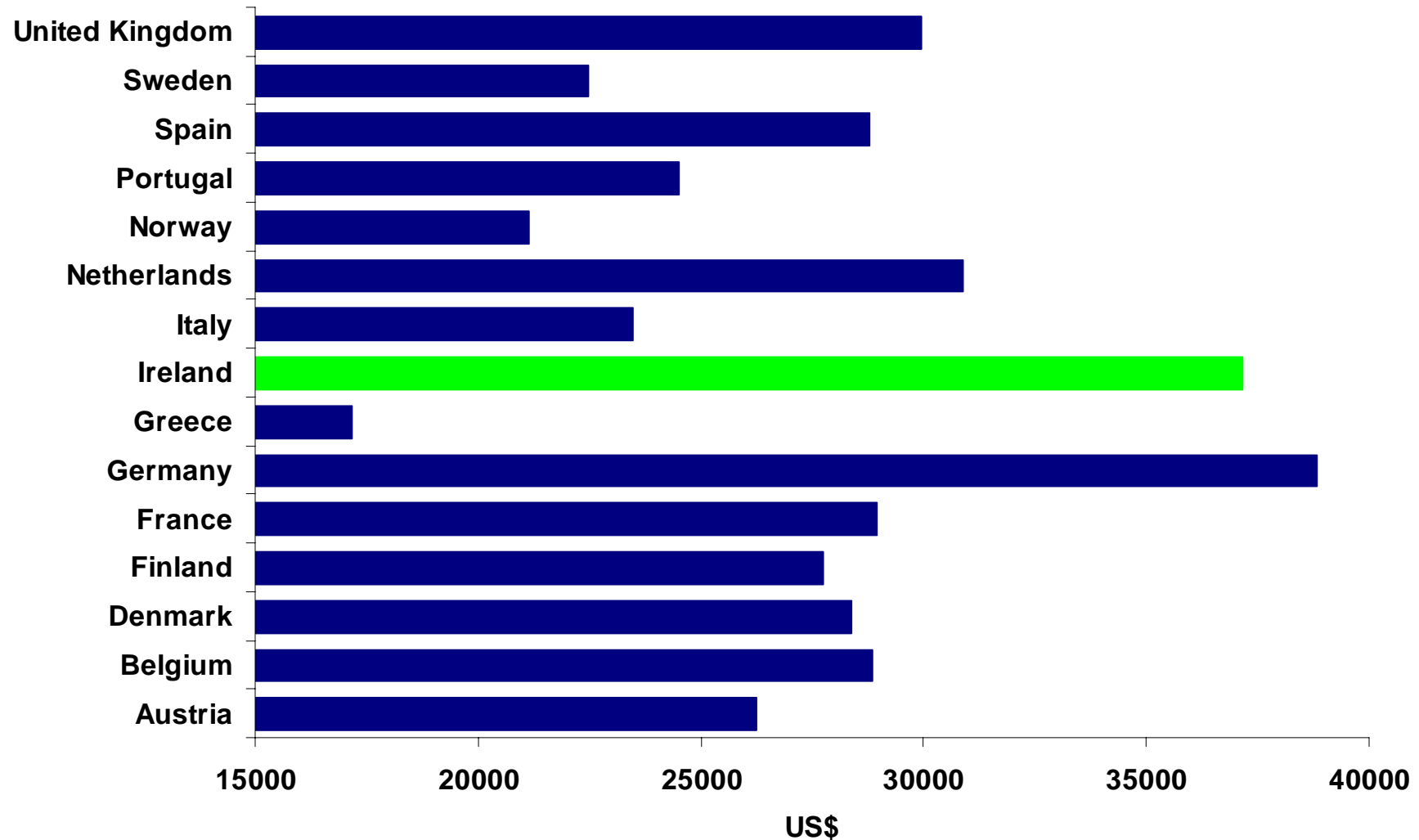
Source: CSO, IBEC

# Threats to Success



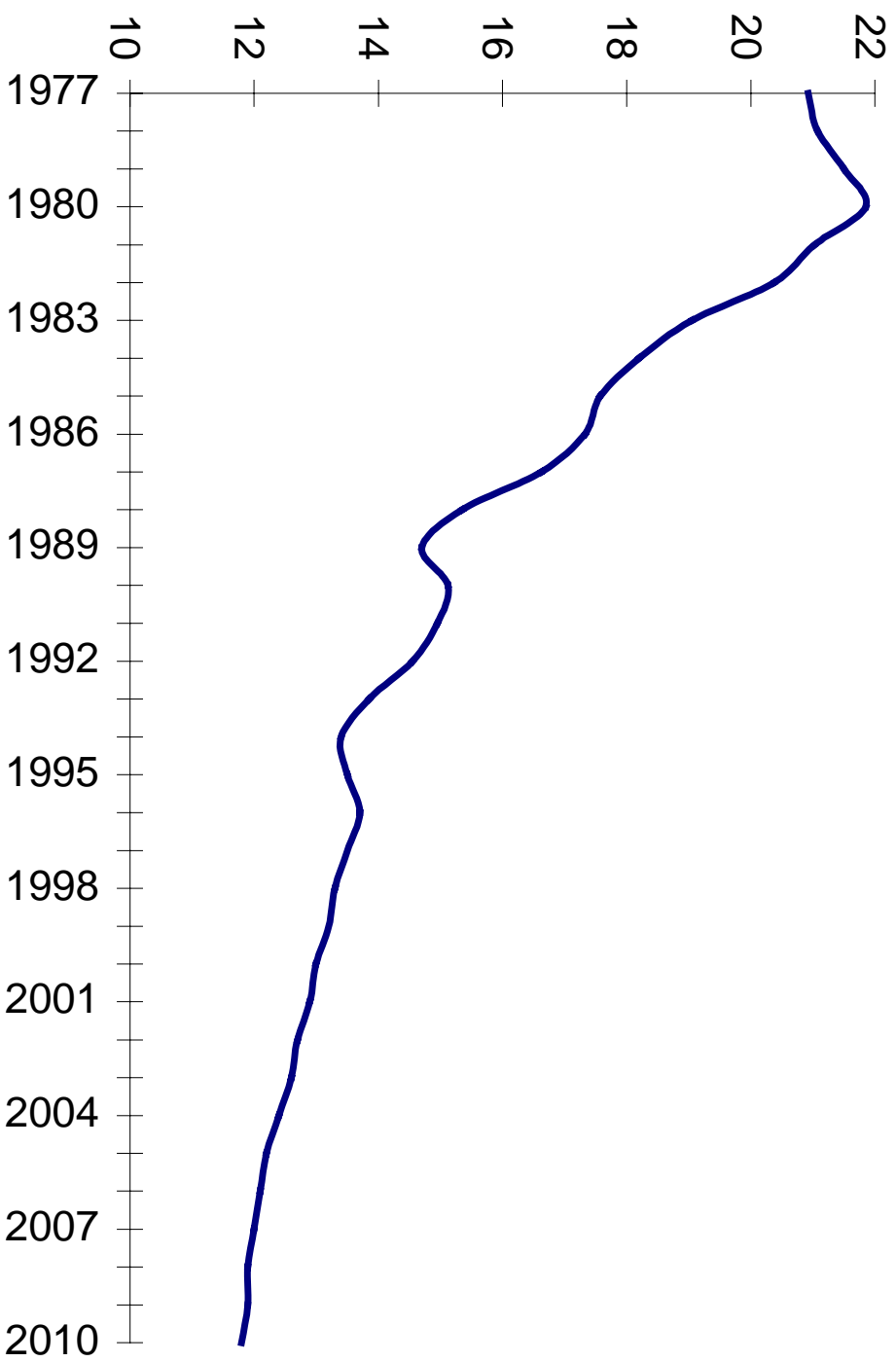
- **HIGH EXPECTATIONS**
- **PLANNING**
- **INFRASTRUCTURE**
- **GOVT. SPENDING**
- **IR PROBLEMS**
- **LABOUR SHORTAGE**

# Secondary Teachers Salary

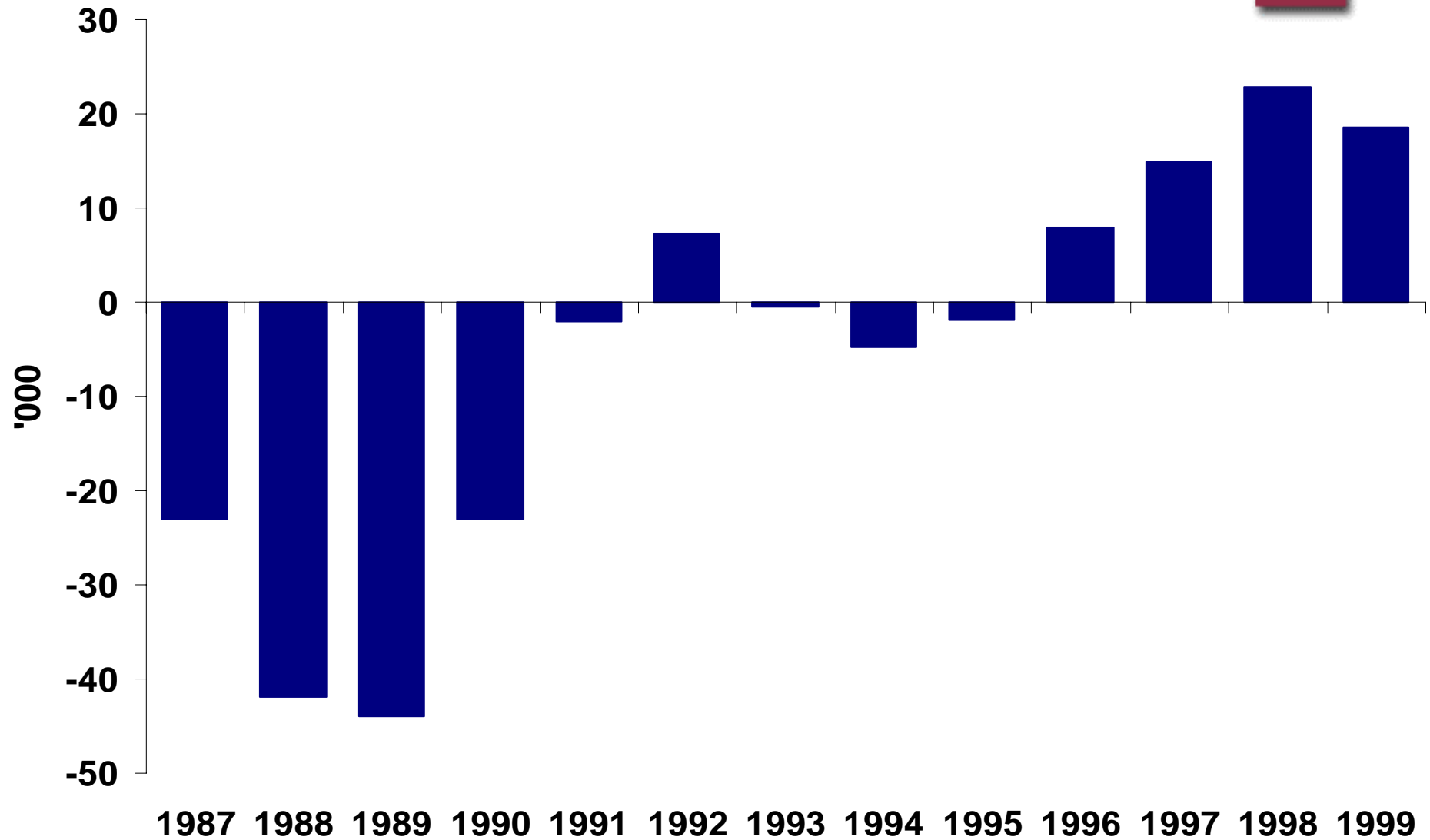


Source: OECD; Figures are for Teachers in Lower Secondary School in US Dollars at Purchasing Power Parity

# Birth Rate per Thousand



# Net Migration, 1987-99



Source: CSO

# Planning Delays



**LISBON  
BRIDGE**

**8 years**

**8 miles long**

**DUBLIN PORT  
TUNNEL**

**13 Years**

**3.5 miles long**

# External Factors



**Shock to economy through**

**Sterling**



# External Factors



Shock to economy through

Sterling



Oil prices



Stock markets

