

Austerity bye bye? -

The case of the Republic of Ireland



Uni Europa,
CWU HQ 11 November 2014

Dr Tom Healy
NERI (Nevin Economic Research Institute)
Dublin
Tom.Healy@nerinstitute.net



Research for new economic policies

Key points

Austerity worked (for some)

The 'job' is not finished

Posing alternatives

Questions for trade unions

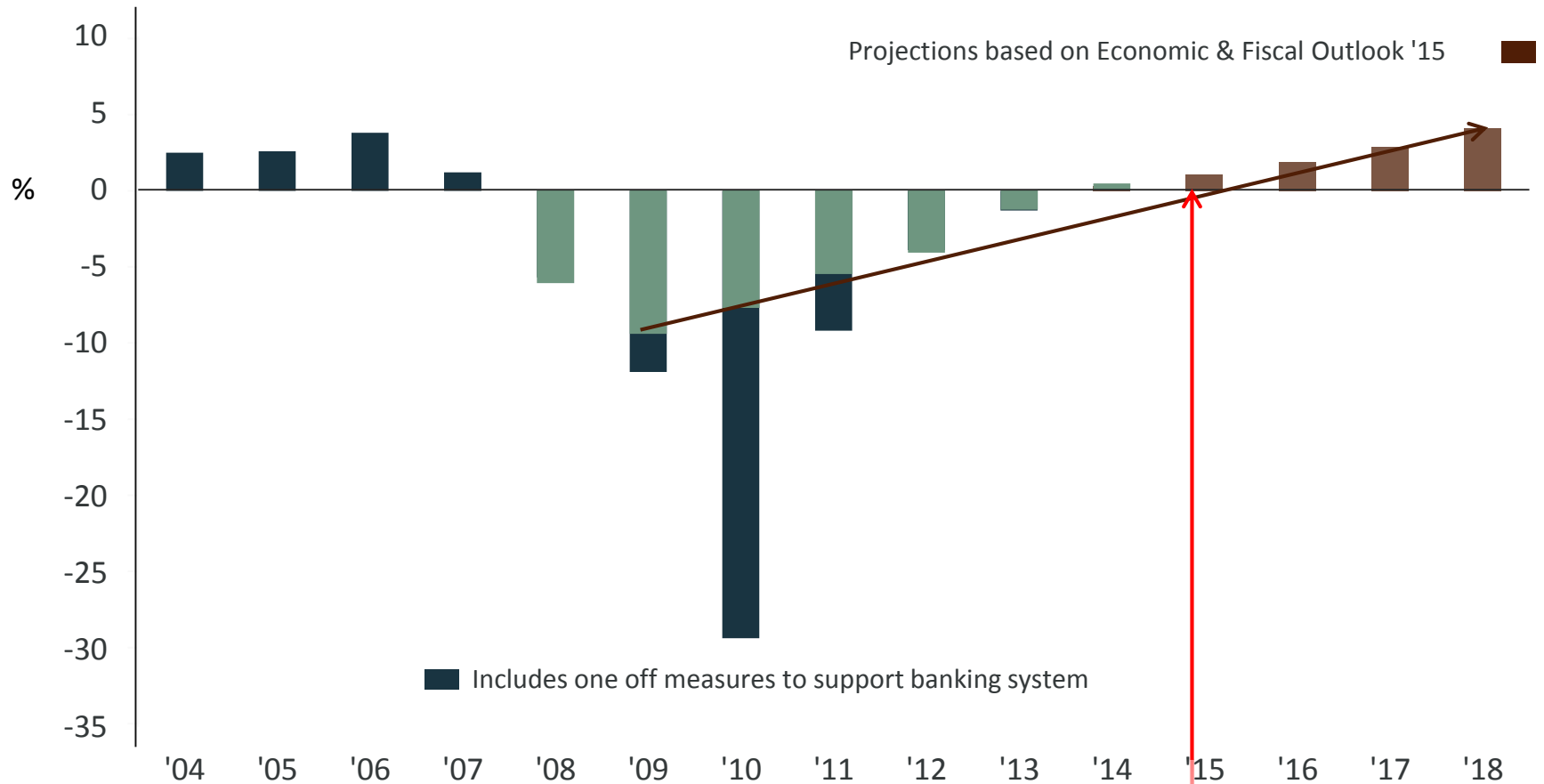
Austerity worked for some

“KARL Marx would have recognised austerity policies for what they are – an instrument of class warfare.”

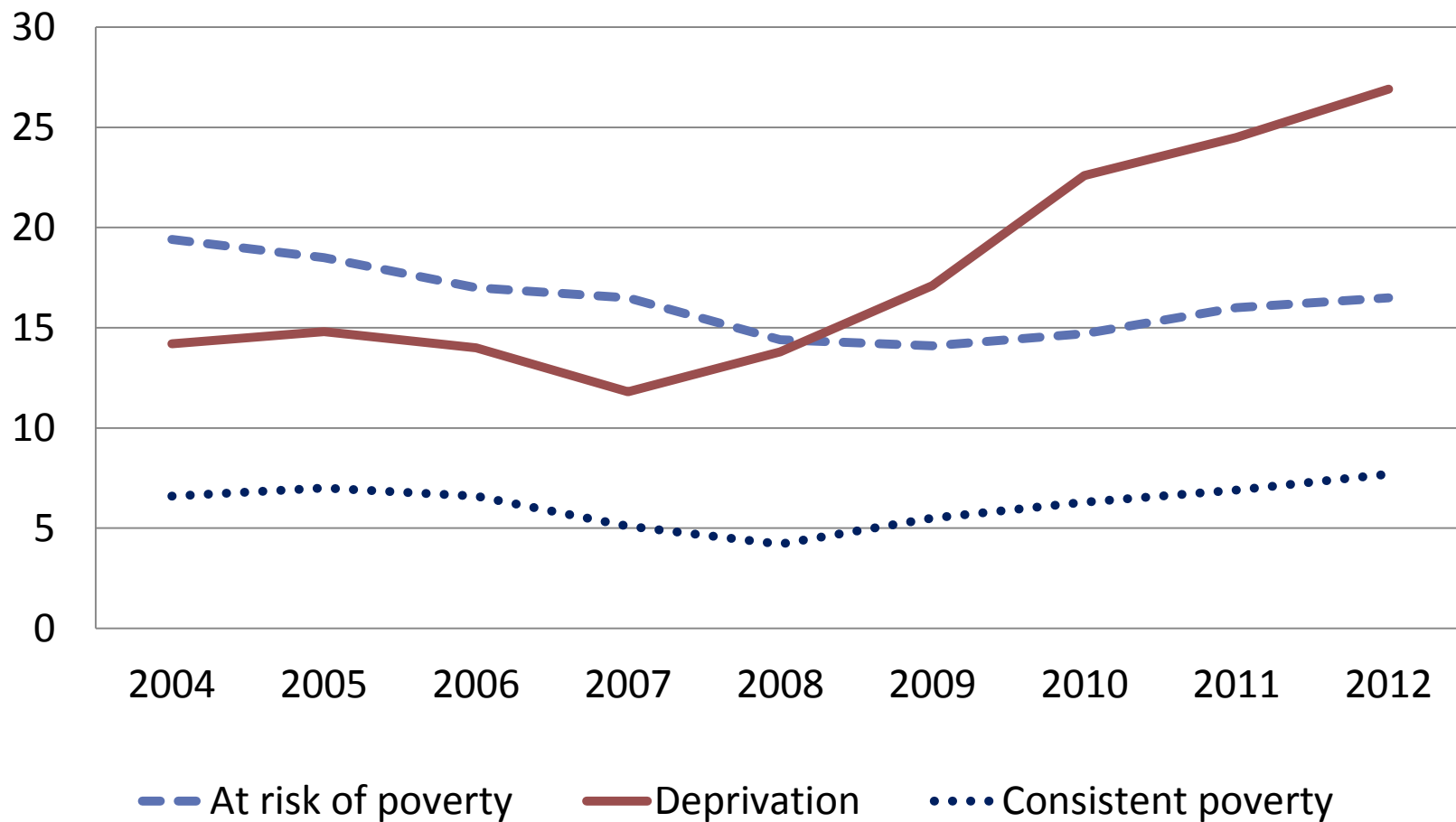
“To those who say austerity is not working, I say you're mistaken, austerity is working – it is working for those for whom it was meant to work, the capitalist class.”



Chart 1: Underlying Primary Deficit/Surplus as % GDP (Rep of Ireland)



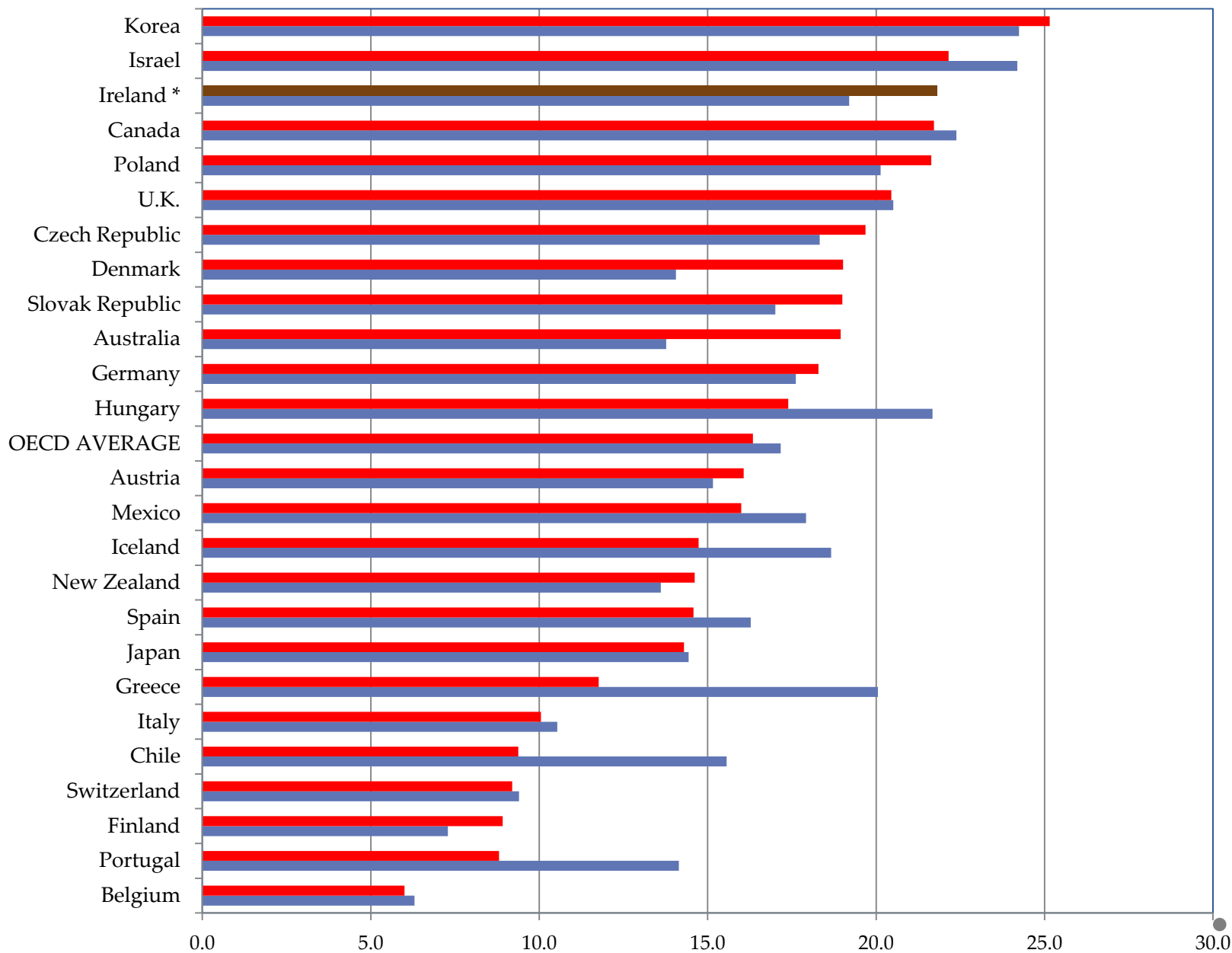
Poverty & Deprivation



Incidence of low pay in 2012

2012

2002



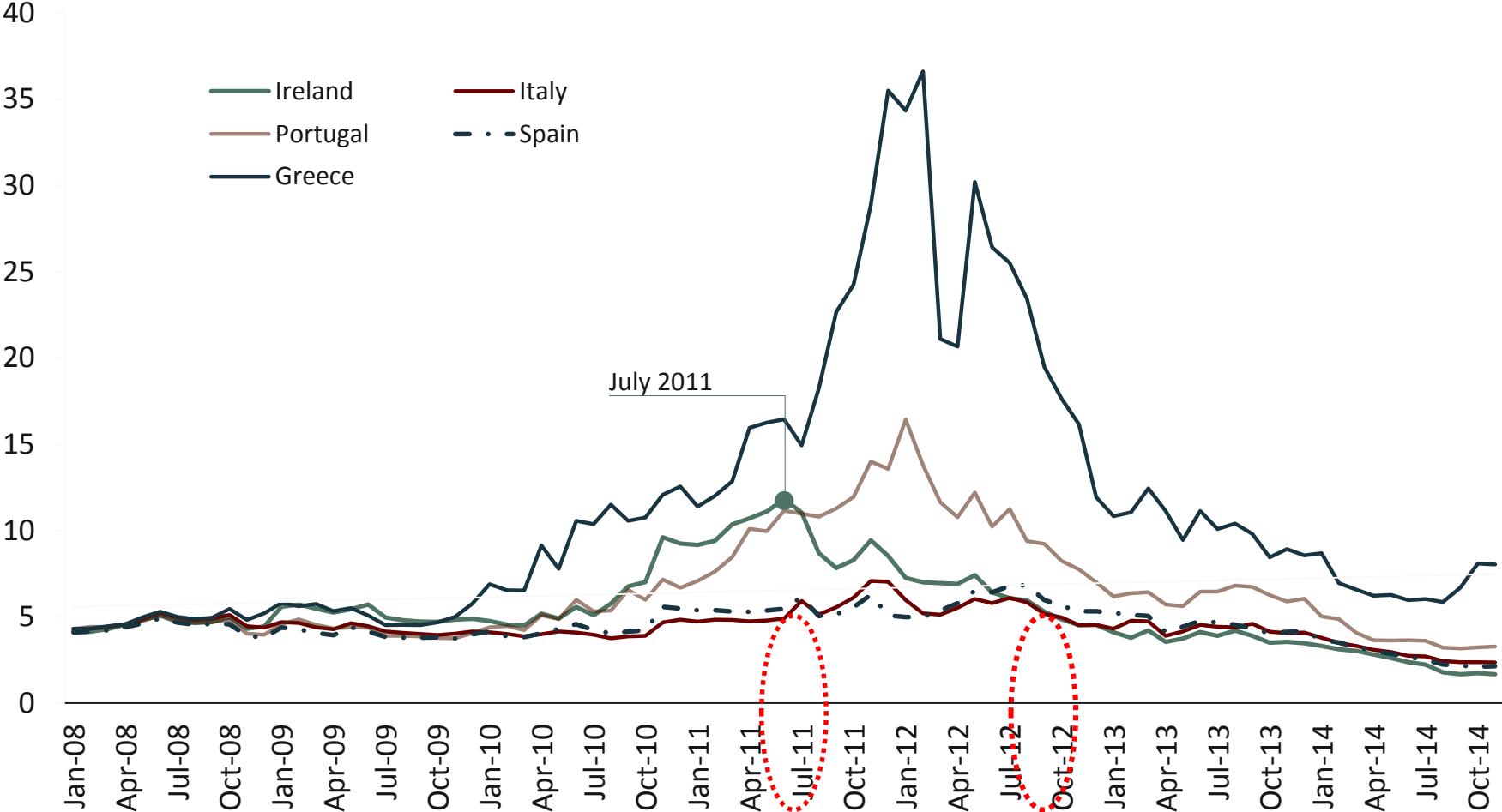
Fiscal Austerity so far

	EXPENDITURE CUTS			REVENUE INCREASES	OVERALL TOTAL	EXPEND. % TOTAL
	Current	Capital	Total			
July 2008 (special measures)	1.0	0.0	1.0	0.0	1.0	100
Oct 2008 (Budget)	0.0	0.0	0.0	2.0	2.0	0
Feb 2009 (special measures)	1.8	0.3	2.1	0.0	2.1	100
April 2009 (Budget)	1.2	0.6	1.8	3.6	5.4	33
Dec 2009 (Budget)	3.2	1.0	4.2	0.1	4.3	98
Dec 2010 (Budget)	2.2	1.6	3.8	2.2	6.0	63
SUB-TOTAL	9.4	3.5	12.9	7.9	20.8	62
Dec 2011 (Budget)	1.4	0.8	2.2	1.0	3.2	69
Dec 2012 (Budget)	1.0	0.5	1.5	1.2	2.7	56
Oct 2013 (Budget)	2.0	0.2	2.2	0.9	3.1	71
SUB-TOTAL	4.4	1.5	5.9	3.1	9.0	66
TOTAL	13.8	5.0	18.8	11.0	29.8	63

The man who saved Ireland?

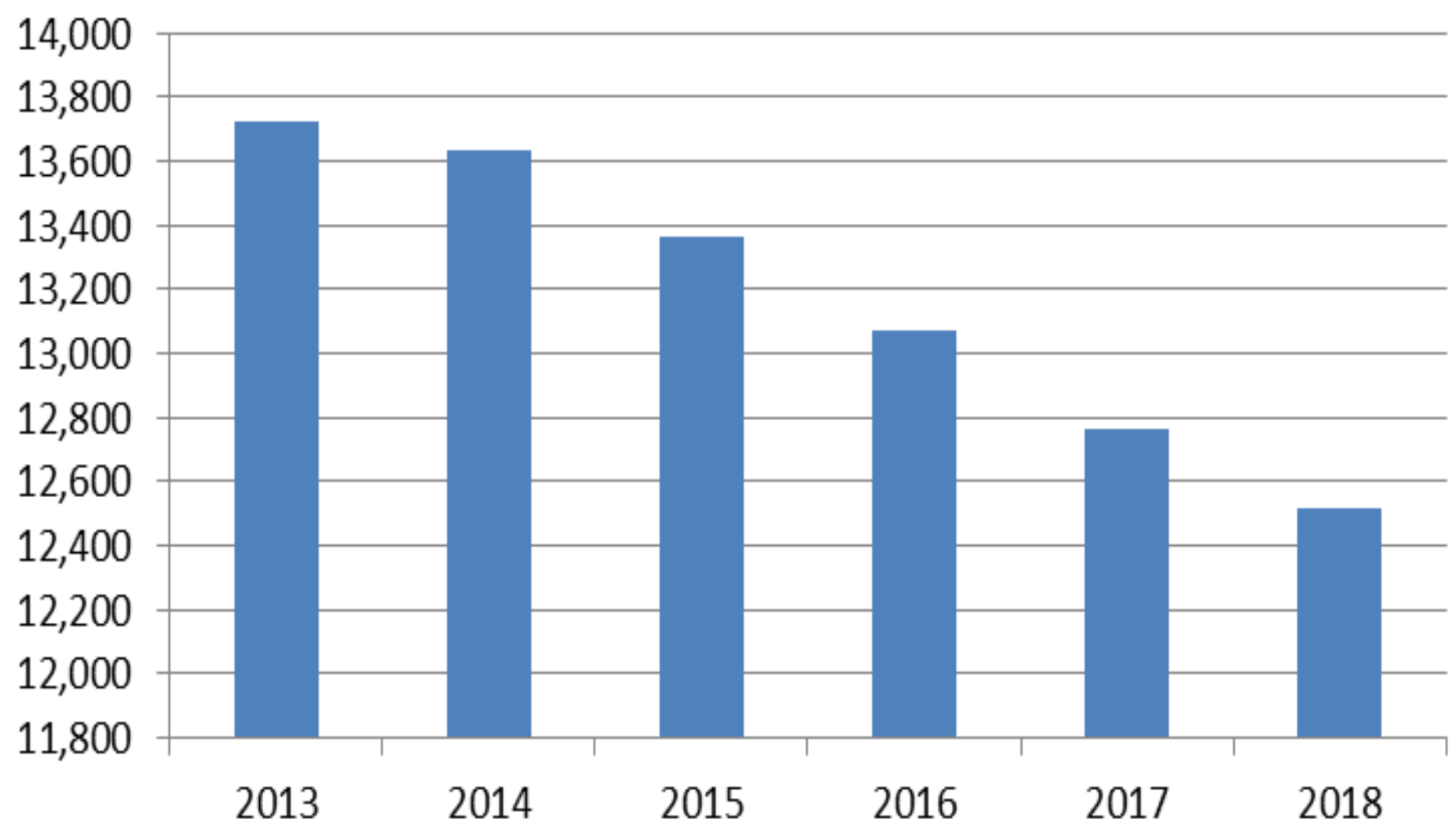


Ten year bond yields, PIIGS



The 'job' is not finished

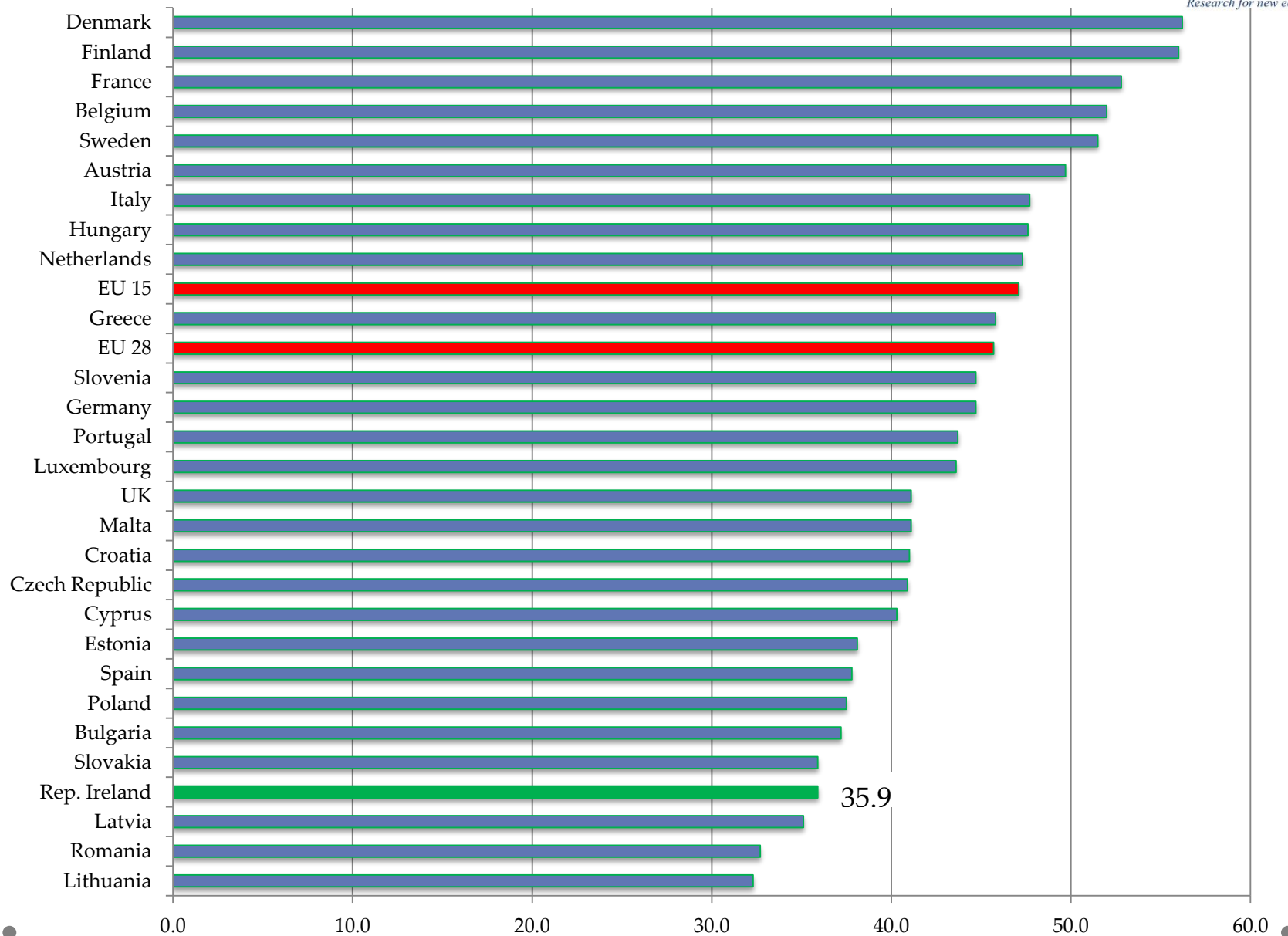
Real spending per capita (exc debt service)



Government Revenue and Government Spending (%GDP)

	2013	2014	2015	2016	2017	2018
Revenue	34.8	34.7	33.7	32.9	32.3	32.1
Public Spending	40.5	38.5	36.4	34.8	33.2	31.9
General Government Balance	-5.7	-3.7	-2.7	-1.8	-0.9	0.3
Gross Debt	123.3	110.5	108.5	104.0	100.5	95.4
Primary Spending (i.e. non-interest)	36.1	34.4	32.6	31.0	29.4	28.0
Public Investment	1.8	1.6	1.4	1.3	1.3	1.2

Government Revenue % GDP (EU28) 2013



Posing an alternative

THE PHILOSOPHERS HAVE ONLY
INTERPRETED THE WORLD IN
VARIOUS WAYS - THE POINT
HOWEVER IS TO CHANGE IT



Policy choices and Economic vision 2030

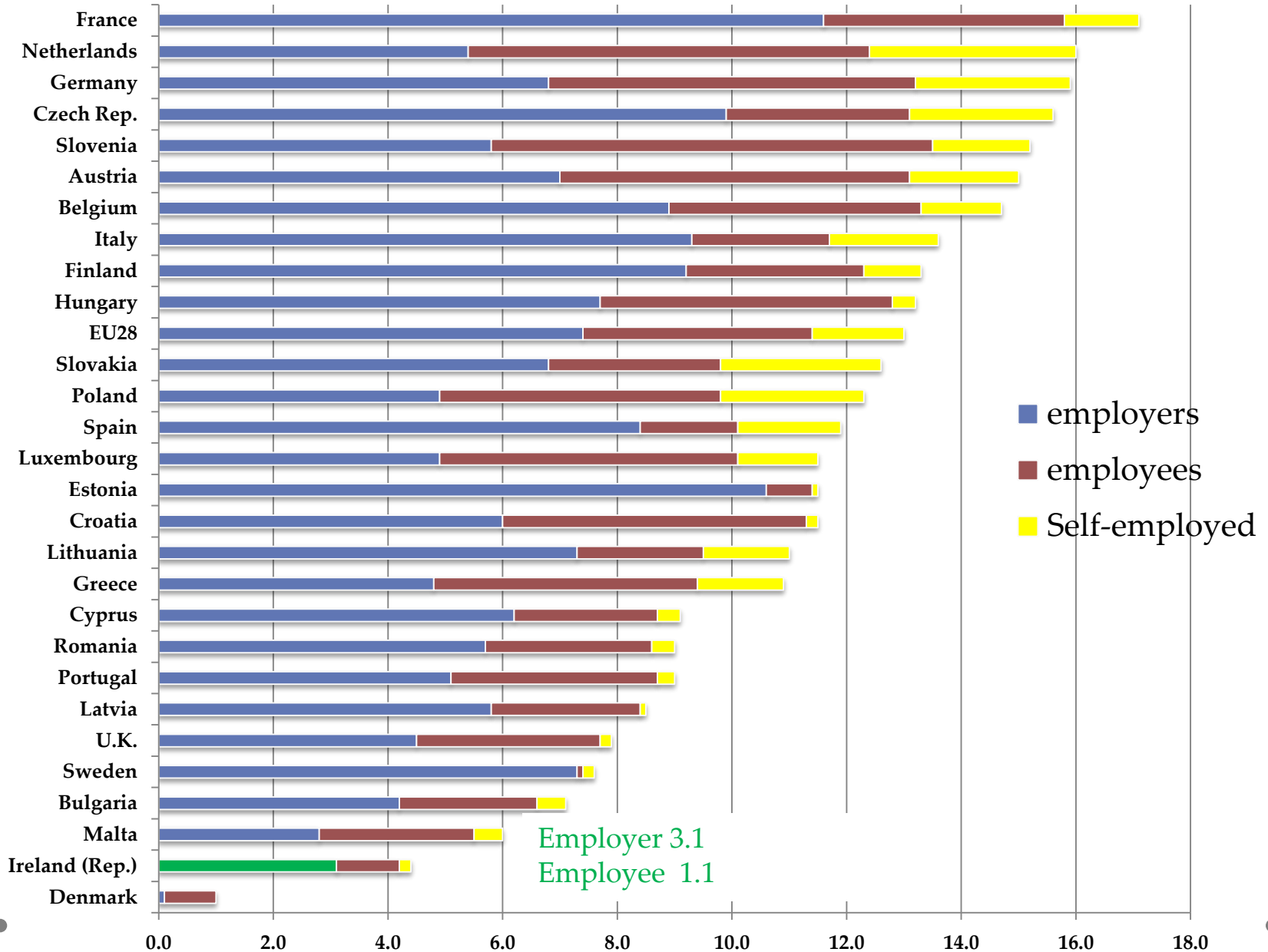
1. Enterprise policy
2. Public Services – how much funding
& how to deliver?
3. Incomes and Wages policies

In Denmark, 89% of the people voted in their last election and over 75% are members of trade unions. Health care and higher education in Denmark are free, and their minimum wage is almost double that of the U.S. When citizens become actively involved in the political process, government CAN represent ALL people - and not just the very rich.

- Sen. Bernie Sanders (I-Vt.)



Social Insurance is way out of line.....



Questions for trade unions in Europe

Envisioning

1. Role of Political Economy
2. Role of analysis and research
3. Role of civic society alliances
4. Role of young people

1 'The Irish didn't protest'

2 'Protests etc. are pointless anyway'





Research for new economic policies

www.NERIinstitute.net