

Economy Development as Social Policy

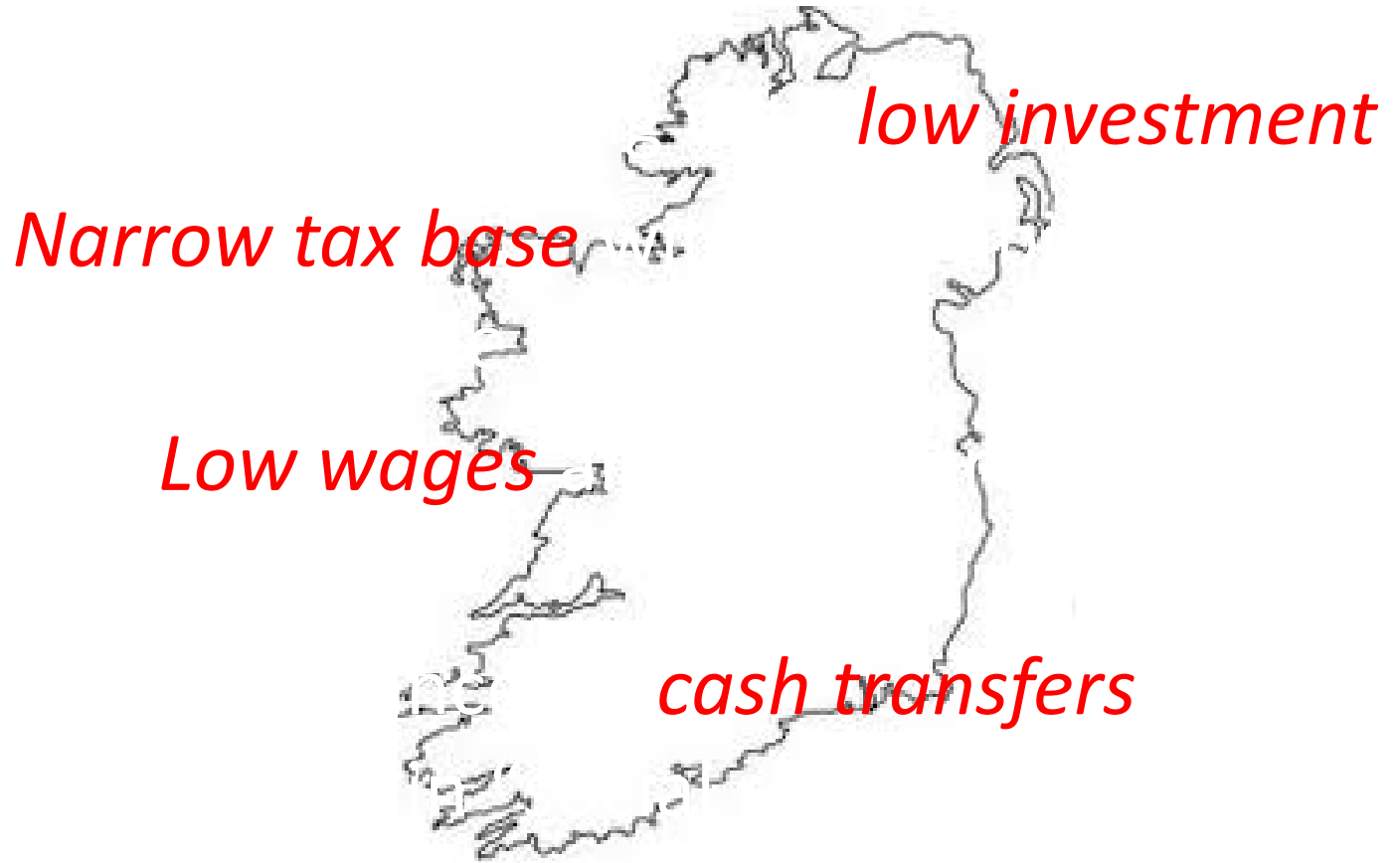
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4 Challenges for Ireland's Social Policy Regime

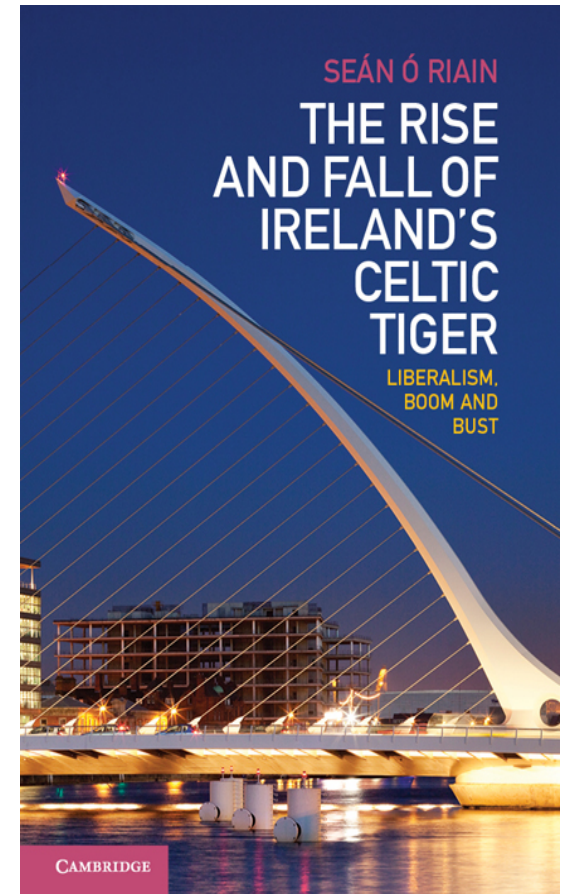


4 Intractable Dilemmas of Ireland's Contemporary Political Economy

- *Financial*: High Borrowing with *low investment*
- *Fiscal*: *Narrow tax base* with poor ability to pay for many outside the tax base
- *Economic*: *Low wages* and mediocre competitiveness
- *Social*: Heavy reliance on *cash transfers* across persistent divides in “social reproduction”

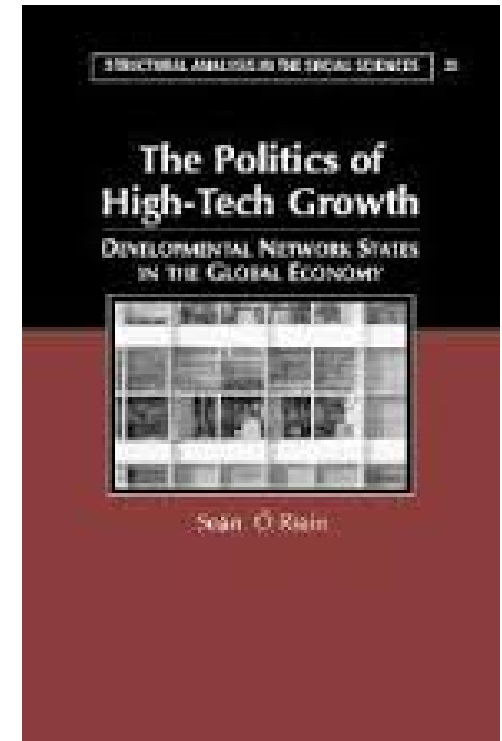
Persistent Dilemmas and Causes of Crisis

- *Financial*: Financialisation marginalises Export Innovation
- *Fiscal*: Spending increases based on ‘bubble taxes’
- *Economic*: Construction employment fills the historical export and public services gap
- *Social*: Pay related welfare state – a poor engine of solidarity that generates and sustains a focus on short term cash nexus



Ireland's (Still) Partial Development Model

- Indigenous Innovation secondary to Global Flows and Property
- Fiscal vulnerability – low tax take, high volatility
- Business models typically low value added and/or Lean (not Learning)
- Poor social investment and gap to the high value economy



Economy as Social Policy I

- ‘Predistribution’ vs ‘Redistribution’
- Creating Social Policy Preferences for Actors
 - What kinds of firms?
 - What kind of workers?
 - What links between workers and households?
- Time Horizons and Trade-Offs
- Interdependence of Economy with Social Policy
 - Better endowments give better investments give better outcomes (better = more equal)
 - High value business requires high value services
 - Equal only works politically if Shared

Economy as Social Policy II

