



SPRING 2010 REFORM BAROMETER - IRELAND

1. SUMMARY TABLE

<u>Ireland</u>				<u>Rank among 29 **</u>			<u>Relative Gap</u>	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
GDP per capita (Purchasing Power Parity - PPP)	35472	32209	-9.2%	3	4	-1	LU, IE, NL, AT, BE	-5%
GDP per capita (€ at 2000 prices)	33356	30700	-8.0%	6	6	0	LU, DK, SE, IE, UK	-10%
Labour Utilisation (Annual hours worked per capita)	861	783	-9.1%	8	9	-1	CY, SI, GR, CZ, PL	-11%
Annual hours worked per person employed	1871	1852	-1.0%	10	10	0	GR, HU, PL, SI, CZ	-8%
Employment as % of labour force (100-unemployment rate)	94.0	88.3	-5.7	16	24	-8	NL, DK, AT, CY, LU	-7
Labour participation (labour force as % of active population)	72.0	70.7	-1.3	15	16	-1	NL, DK, SE, DE, UK	-10
Dependency ratio (working age population as % of total population)	68.0	67.7	-0.3	14	16	-2	SK, PL, CY, CZ, RO	-5
Labour Productivity (GDP per hour worked, in PPP)	40.2	40.1	-0.1%	7	7	0	LU, BE, NL, FR, DE	-7%
Labour Productivity (GDP per hour worked, € at 2000 prices)	37.8	38.2	1.3%	12	11	1	LU, SE, BE, DK, FR	-19%
Capital deepening (capital stock per hour worked)*	5.5	5.8	3.9%	5	3	2	IE, FR, LU, AT, SE	-1%
Total Factor Productivity (level of economic efficiency per hour worked)*	6.8	6.6	-2.5%	12	12	0	LU, UK, DK, SE, BE	-23%
Corporate Investment (private investment excluding non-residential, % GDP)	8.7	4.7	-4.1	25	27	-2	BE, RO, AT, DK, SK	-8.4
Current Account Balance (as % GDP)	-5.1	-3.1	2.0	16	21	-5	LU, SE, LV, DE, EE	-9.5
Export market share measured in volume relative to main 35 trading partners (from 2000)	7.8	20.7	12.9	11	9	2	RO, LT, HU, CZ, PL	-34.0
Unit labour Costs relative to main 35 trading partners (from 2000)	17.4	12.2	-5.1	22	19	3	DE, PL, AT, SE, GR	19.3
Government gross debt (as % GDP)	44.1	65.8	21.7	15	19	-4	EE, LU, BG, RO, LT	48.0
Net lending/net borrowing of general government (as % GDP)	-7.2	-12.5	-5.3	28	28	0	BG, DK, SE, LU, FI	-10.5
Required budgetary adjustment related to ageing (as % GDP)	N/A	3.7	N/A	N/A	21	N/A	PL, EE, HU, BG, SE	3.6
Public Investment (as % total public expenditure)	15.1	10.9	-4.2	5	9	-4	BG, RO, EE, CZ, PL	-5.5
Tax burden (as % GDP)	29.2	27.6	-1.6	4	4	0	LV, RO, IE, SK, LT	-0.3

Note: Labour utilisation and productivity are a product of its sub-components.

* Rank refers to EU15 ** EU 27, Norway and Switzerland

Source : European Commission, Eurostat

A methodological note can be found in the report or [here](#).

2. PRIORITIES FOR REFORM: ANSWERS FROM IBEC (IRELAND)

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	Orientation and sustainability of public finances	1. Continue to reduce Government current expenditure 2. Maintain competitive taxation rates on wages 3. Address structural issues such as cost of ageing	X	
Priority 2	Financial markets and access to finance	1. Introduce Government loan Guarantee scheme for SME's 2. Deliver rapid recapitalisation of banks.	X	
Priority 3	Making work-pay: interplay of tax and benefit system	1. Reform long-term social welfare rates to incentivise return to work		X
Priority 4	R&D and innovation	1. Maintain ambitious public investment 2. Enhance taxation supports for R&D and innovation	X	
Priority 5	Active labour market policies	1. Introduce radical institutional reform of public agencies with responsibility for labour market policies 2. Reform of social welfare system to incentivise work.		X