



Taighde, Idirphlé, Comhairle  
Research, Dialogue, Advice

## *Exchange with EU Heads of Mission*

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**April 6<sup>th</sup> 2023**

# Work Programme 2023/24

Economy, Resilience &  
Vulnerability

Housing, Land &  
Sustainable Development

Just Transition,  
Agriculture & Land Use

Natural Capital &  
Accounting

Shared Island: Social  
Enterprise & Climate  
and Biodiversity

Well-Being  
Frameworks:  
Inequality

The NESC work programme is subject to change, on foot of requests by the Taoiseach and Government, and considerations that may be put forward by NESC itself, based on its own analysis and informed by its consultation with stakeholders.

**NESC**  
Work Programme 2023/24

December 2022

  
An Chomhairle Náisiúnta Eacnamaíoch agus Sóisialta  
National Economic & Social Council

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NESC

**Private Rental in Ireland**

**COUNCIL REPORT**

No.159 February 2023

  
An Chomhairle Náisiúnta Eacnamaíoch agus Sóisialta  
National Economic & Social Council

An Oifig Náisiúnta um Phoirtéirt Eacnamaíoch agus Sóisialta  
National Economic & Social Development Office NESDO



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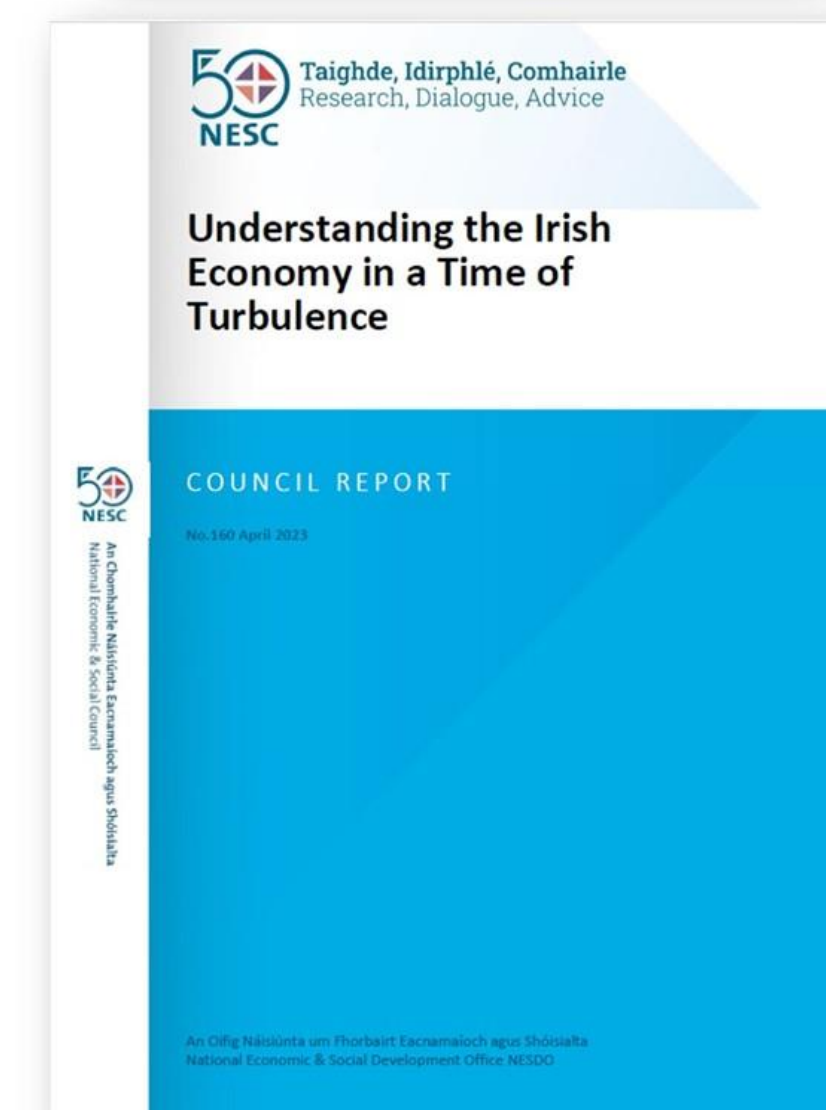
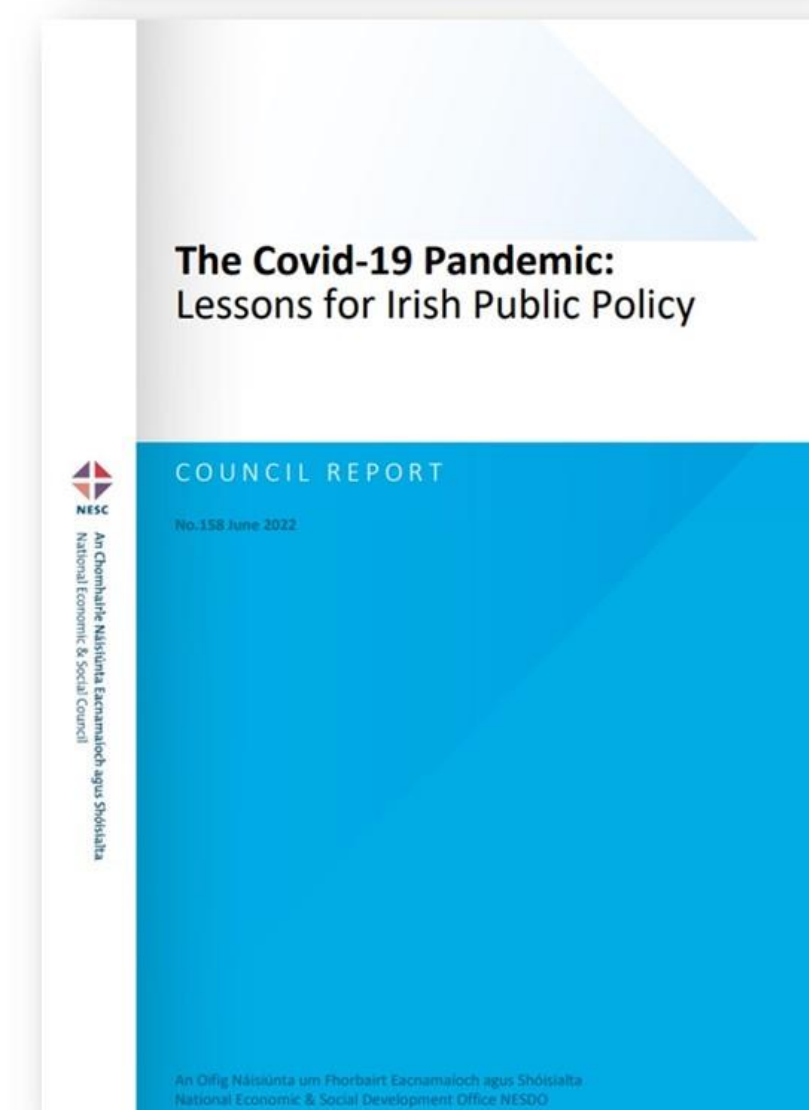
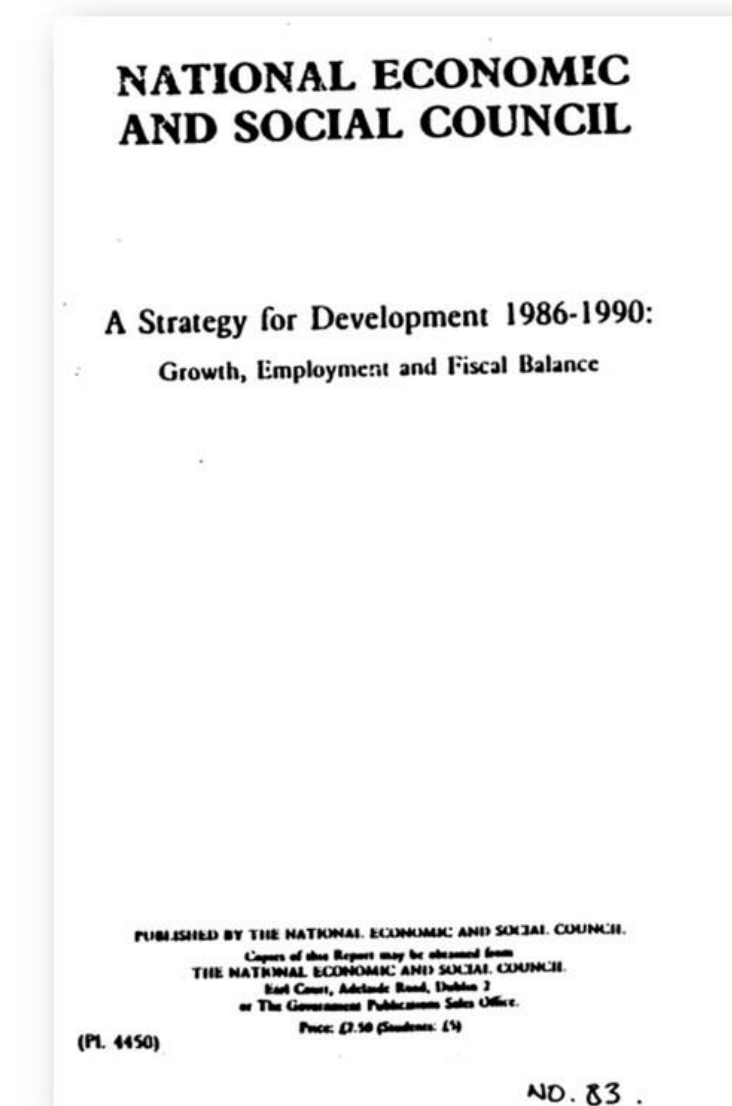
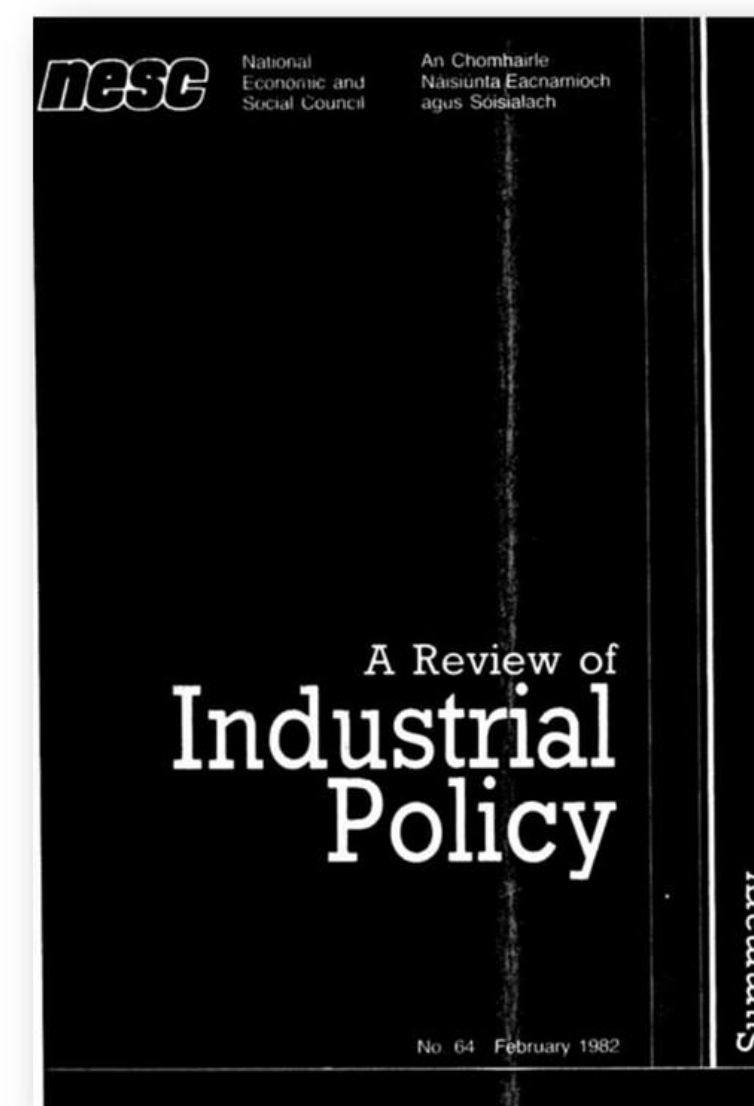


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*Understanding the Irish Economy in a Time of Turbulence*

## Background to the Report

- Promotion of medium-term strategic thinking
- NESC Report 158
  - ‘The Covid-19 Pandemic: Lessons for Irish Public Policy’
- Context in April 2022
- Request to consider the cost-of-living crisis...
- ... within a broader context
- NESC Report 160
  - ‘Understanding the Irish Economy in a Time of Turbulence’





# Contents of the Report

- Main sources of turbulence
- Ireland's enterprise economy
- The *capacity* and *cohesion* challenges
- Council's recommended policy response

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## Turbulence: The Climate and Biodiversity Emergencies

- Rising average temperatures
- Declining biodiversity
- Physical risks to the economy
- Transition risks to the economy
- Higher costs for business
- Stimulate innovation





## Turbulence: Demographic Shifts

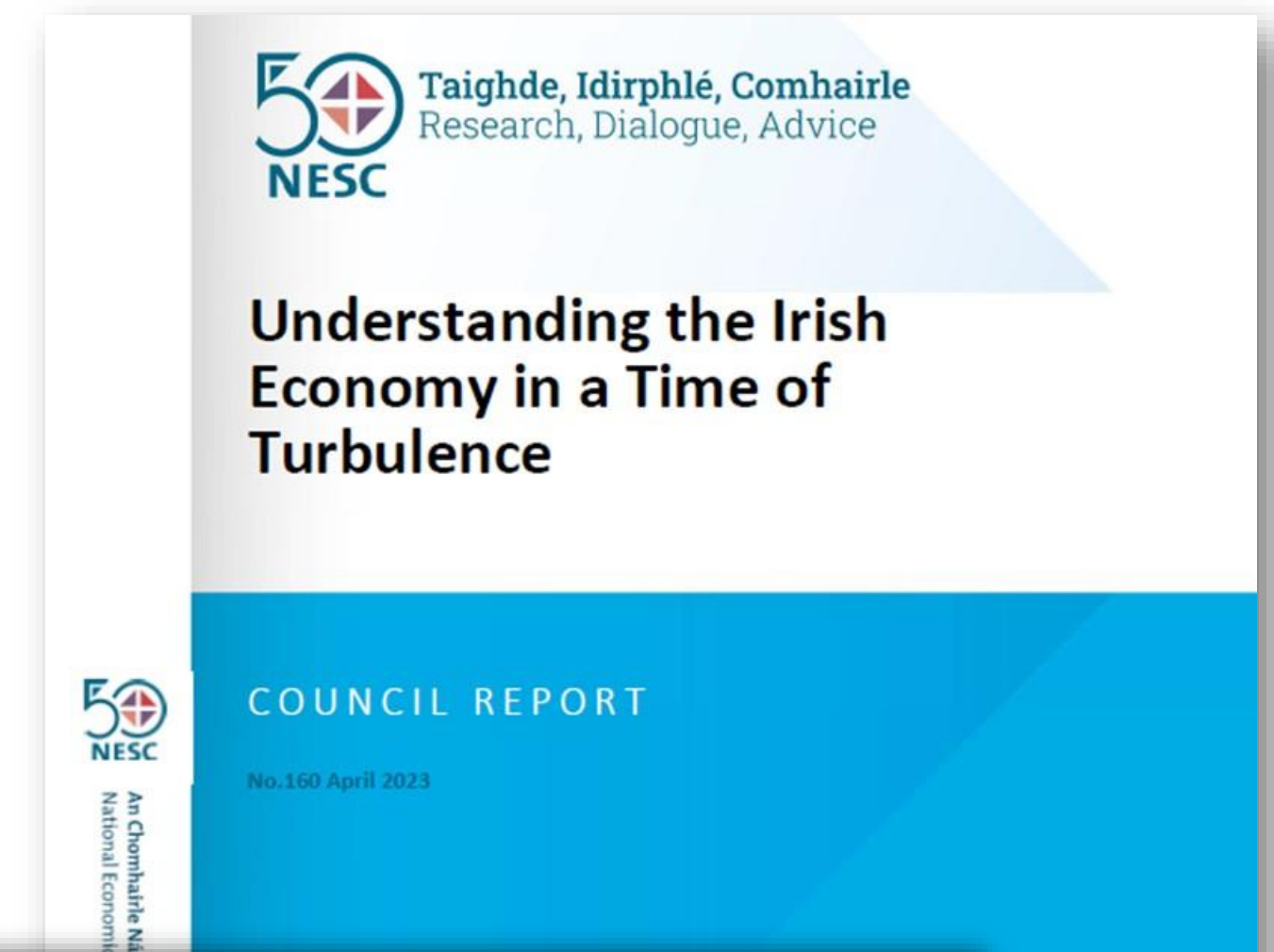
- Growing population
- The role of migration
- Investing in economic and social infrastructure
- Declining dependency ratio
- Rising age-related expenditure





## Turbulence: Geopolitical Change

- A small, open economy
- Weakening globalisation
- Geopolitical rivalry
- Invasion of Ukraine
- Deficit in Global Leadership
- Brexit





## Turbulence: The Rising Cost of Living

- Post-pandemic prices rises
- Invasion of Ukraine
- Pre-existing high domestic costs
- Continuing inflation forecasted
- Spill-over effects
- Property inflation
- Disproportionate impact
- Some easing ahead?





## Turbulence: Maintaining National Competitiveness

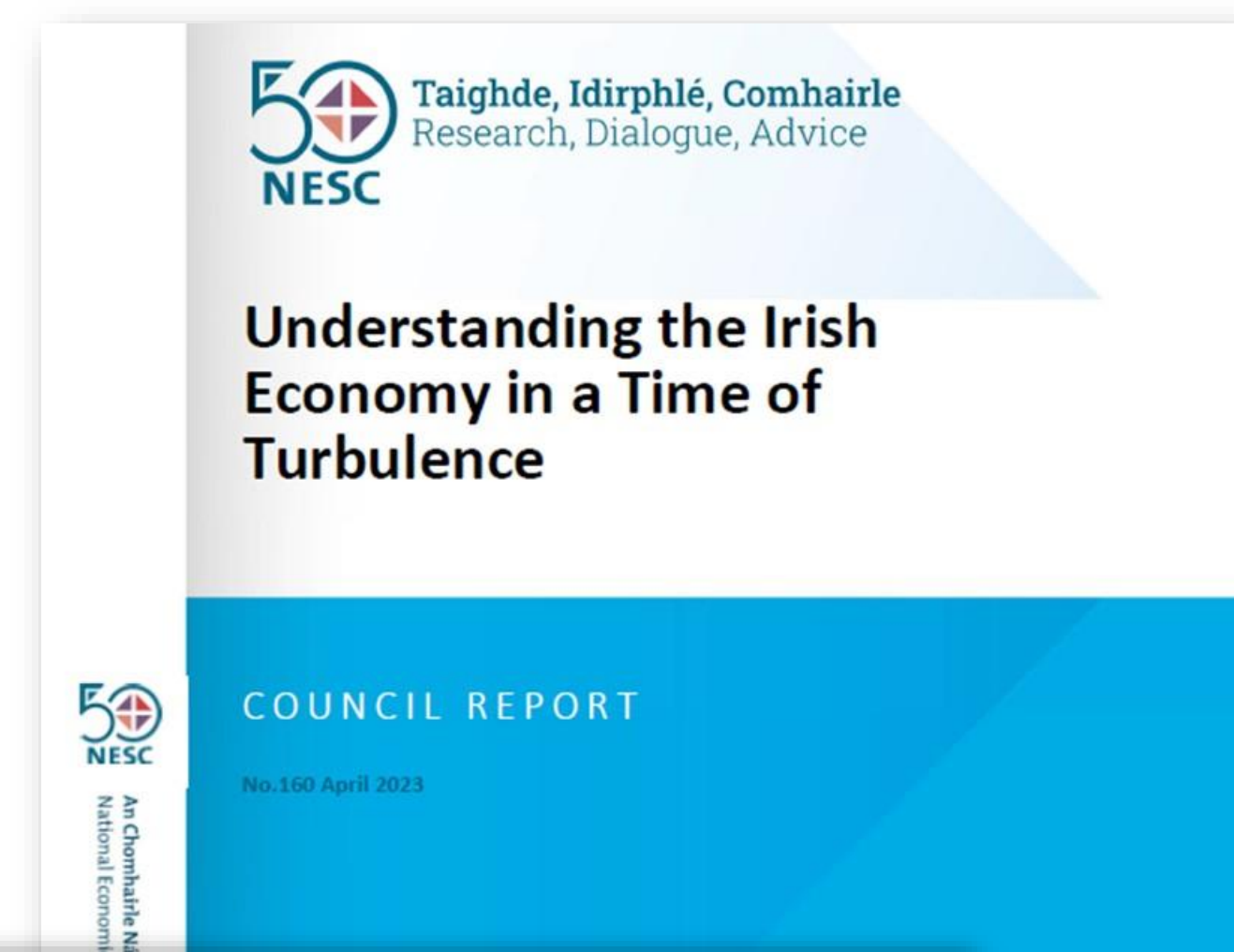
- Multifaceted concept which includes the cost of doing business
- Inflation -> national competitiveness -> prosperity, employment, and standards of living
- Challenges viable firms
- Dampens longer-term investment
- Harms domestically focused firms
- Lowers confidence
- Presents risk of a spiral





## Ireland's Enterprise Economy

- Exhibiting resilience
- Strong enterprise base
- Concentration risks
- Driver of progress:
  - Employment;
  - Incomes;
  - Equality;
  - Gender pay gap;
  - Poverty rates; and
  - Attracting skills



## Challenge 1: Capacity

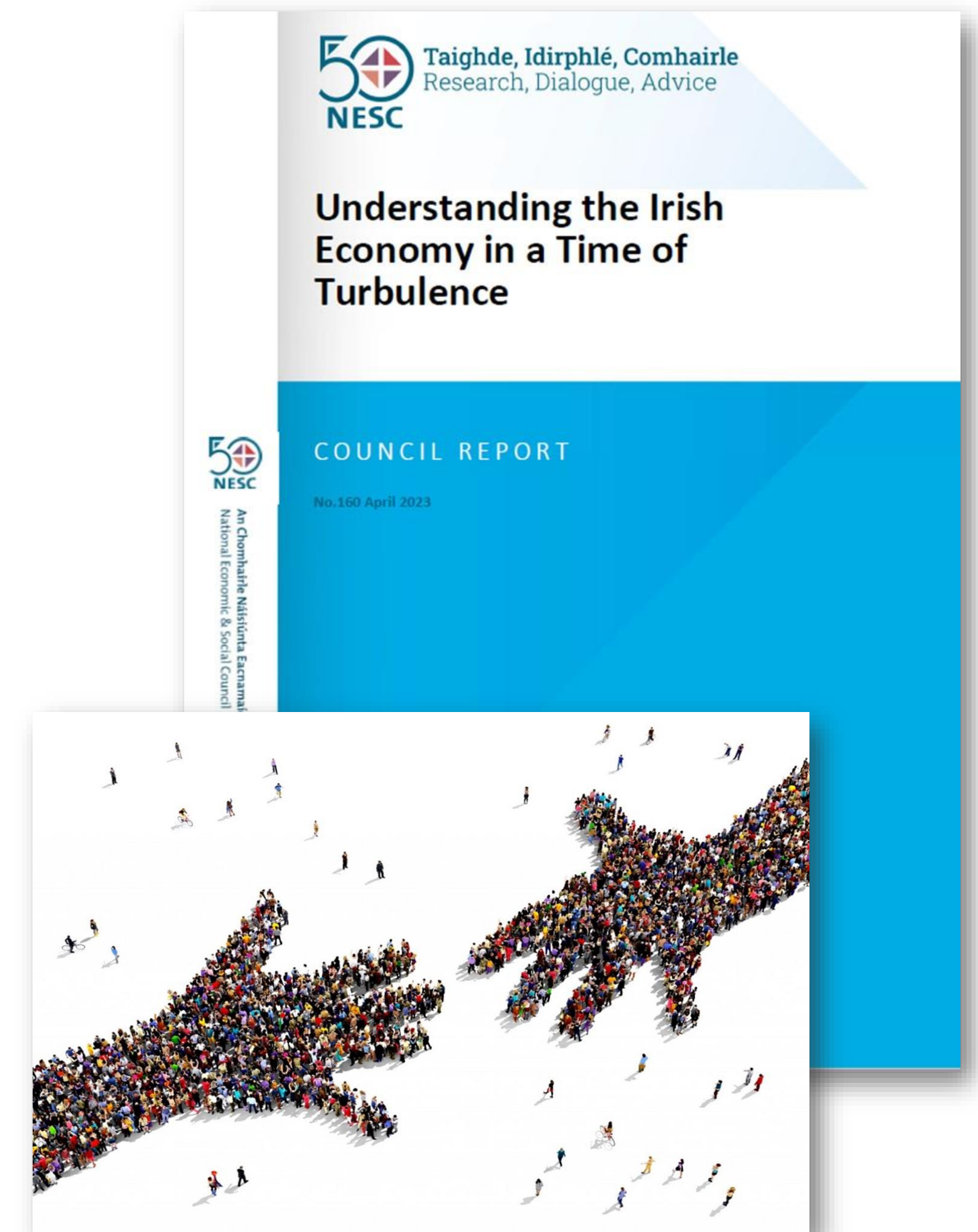
- Managing constraints in the delivery of services and infrastructure
- Addressing vulnerability to society and economy
- Constraints impact on capital spending
- Future success depends on improving capacity in key areas
- Focus on housing and homelessness
  - Wide ranging impact





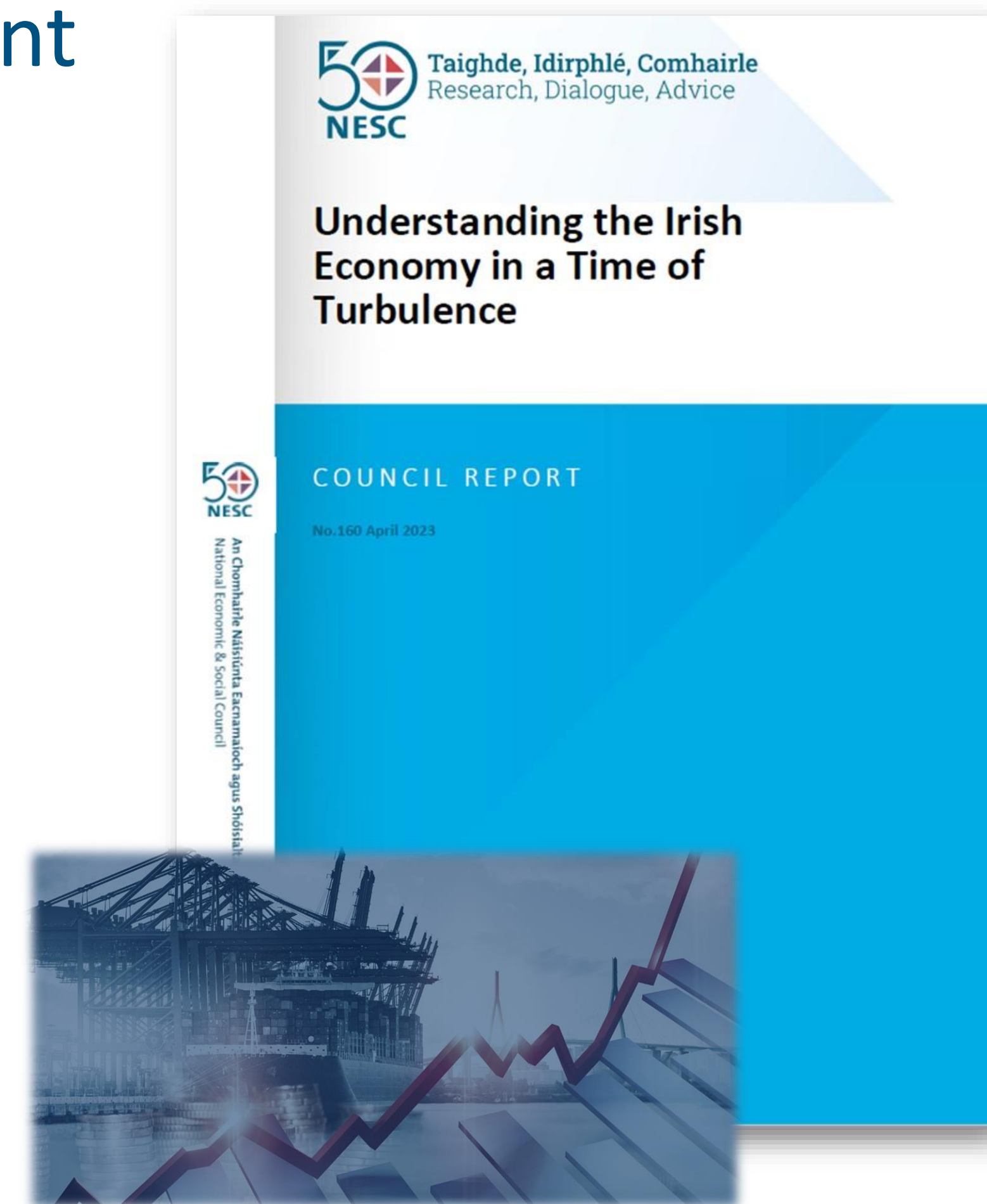
## Challenge 2: Cohesion

- Cohorts more weakly connected to the enterprise economy
- Progress and resilience is evident
- Significant steps taken by the State
- But, little change for certain groups
- Tackling low pay, low hours of work available, and precarity
- Competitiveness and addressing 'the problem of low pay'
- Sectoral challenge



## Line of Action 1: Fiscal Sustainability and Investment

- Stable and sustainable macroeconomic policy
- Well-regulated financial systems and well-functioning markets
- A framework for saving excess tax revenue
  - **New Pensions Reserve Fund**
- Maintain investment to be counter-cyclical
- **Focus on housing**
  - Previous NESC work and Housing Commission
  - Openness to new ideas





## Line of Action 2: Acting to Realise Net Zero

- Demand reduction measures
- Policy action to meet commitments, targets, and ceilings
- **Deliver clean energy infrastructure**
- **Re-imagine enterprise for net zero**
- Research link between competitiveness and climate action
- Alternative pathways to prosperity
- New just transition mechanisms



## Line of Action 3: Making Work Attractive

- Understand the impacts of ‘bad jobs’
- **Transpose the EU Adequate Minimum Wage Directive**
- Examine earnings, security, and quality of the working environment
- **Research the link between low pay and productivity in Ireland**
- **Re-examine the barriers to work**
  - Literacy, early school leaving, cost of services, disadvantage...





## Conclusion

“Ireland will become a resilient, sustainable, thriving net zero economy, environment, and society, using innovation and collective preparedness to shape the future we want to achieve” (NESC, 2020)

- Inform debate as well as action
- Encourage awareness of future generations
- Promote ‘cathedral thinking’
- Be constructive and place-based
- Further the common good
- Deliver for all
- Build societal trust





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# DISCUSSION

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