



Minutes of the 397th NESCC Council Meeting, 15th March 2013

Meeting took place in Department of Education and Skills, Marlborough St. D1, 10 am.

Attendance: John Shaw (Chair), Michael O’Sullivan, John McHale, Oisín Coghlan, Michael Ewing, Karin Dubsky, David Begg, Shay Cody, Sally-Anne Kinehan, Matt McGann, Mary Walsh, Edgar Morgenroth, Sean Ó Riáin, Brid O’Brien, Seán Healy, Caroline Fahey, Ian Talbot, Mary Daly, Edgar Morgenroth, Frank Allen, James Doorley, Tom Parlon, Pat Smith, Geraldine Tallon and John Murphy.

Secretariat: Rory O’Donnell, Larry O’Connell, Helen Johnston, Anne Marie McGauran, Jeanne Moore, Noel Cahill, John Sweeney.

Apologies: Martin Fraser

1. Minutes of the Meeting of February 2013 were approved.

2. The Social Dimensions of the Crisis: Chair noted that the report would be brought to Government in coming weeks.

3. Fiscal and Economic Developments: Rory O’Donnell introduced the Secretariat paper ‘Irish Economy: Fiscal and Economic Developments’. The Chair invited John McHale, Chair of Irish Fiscal Advisory Council, to comment. He noted that Ireland’s avoidance of default should be appreciated, since it is associated with very large output reduction. The emerging European system needs to take account of the collective stance of euro zone fiscal policy, the lender of last resort function, and not force excessive adjustment on weak economies. There is a need to build a strong defence for supply-side issues—particularly ALMPs, public capital investment and opportunities for younger people. There is some scope for innovative financing of investment, but this can be overstated. In a wide-ranging discussion there was a strong emphasis on the role of investment, innovative financing arrangements and institutional processes which get results. There was a discussion of the mechanics of multipliers in small financed-constrained regional economy, taxation and the trade-off with investment, the dominance of pharma and services, international business cycles and the impact of movements in sterling and the dollar. Members expressed diverse views on the merits of fiscal policy and the distributional dimension of the overall fiscal adjustment.

4. Towards Cross-Cutting Themes: In discussion of the Secretariat’s note on cross-cutting themes, there was agreement that work on renewable energy should commence. The view was expressed that the holistic analysis must be taken further before cross-cutting themes are settled upon. But strong support was expressed for undertaking work on new models of eldercare. Members mentioned other possible areas, including taxation, enhanced social protection, governance reform, sustainability, post-activation opportunities, qualified people and activation, regional development and competitiveness.

The next meeting was set for: Friday April 18th, Clock Tower, 10.00 am.