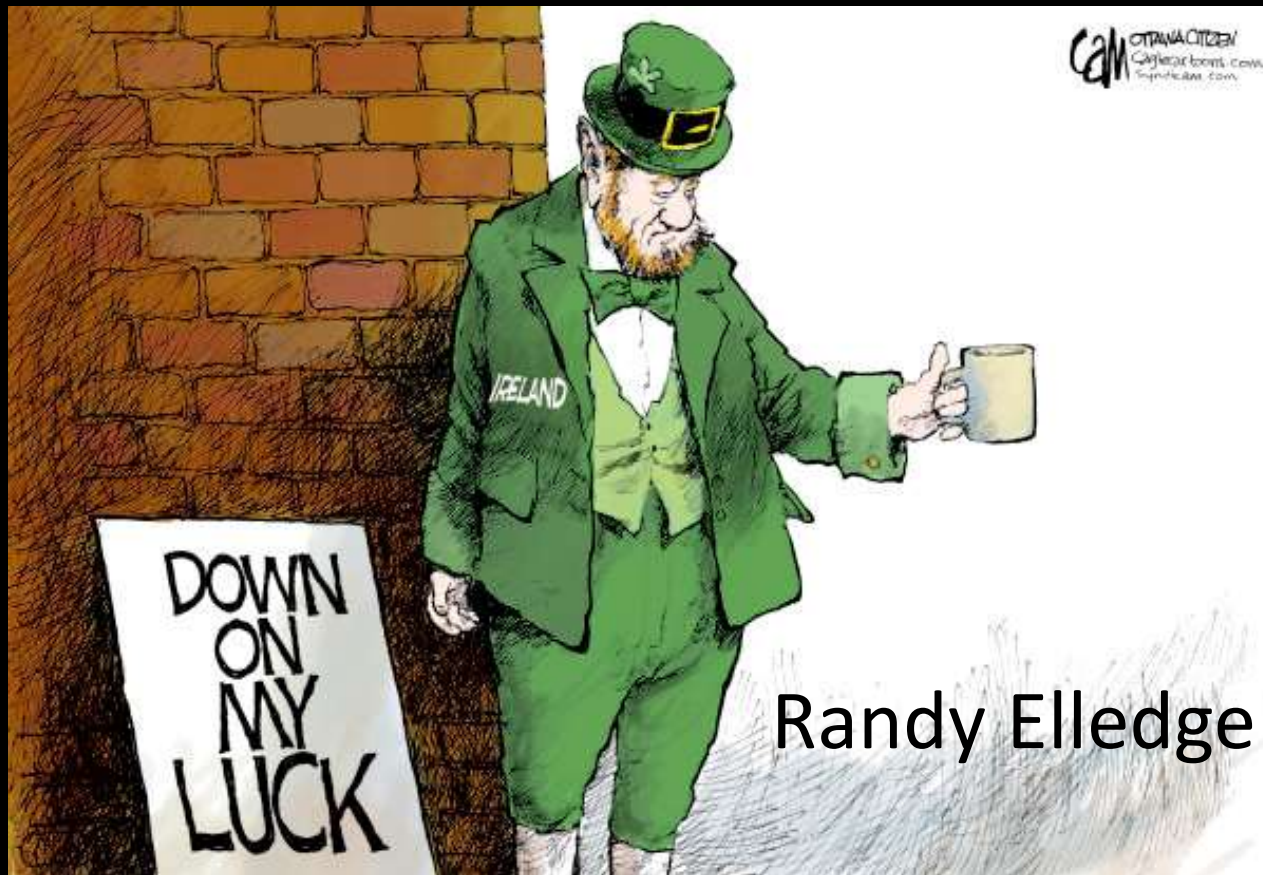


Ireland: From Celtic Tiger to GIPSI and Back.



A Wild Ride:



1922-Independence

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THIS IS WHERE HE WAS IN

1921



THEN THE TREATY CAME
AND THE WIND OF LIBERTY BLEW HIM OUT

UP THE REPUBLIC



1922

NOW THIS IS HE !

Supplement Gratis with "UNITED IRELAND."

Saturday, June 20th, 1885.

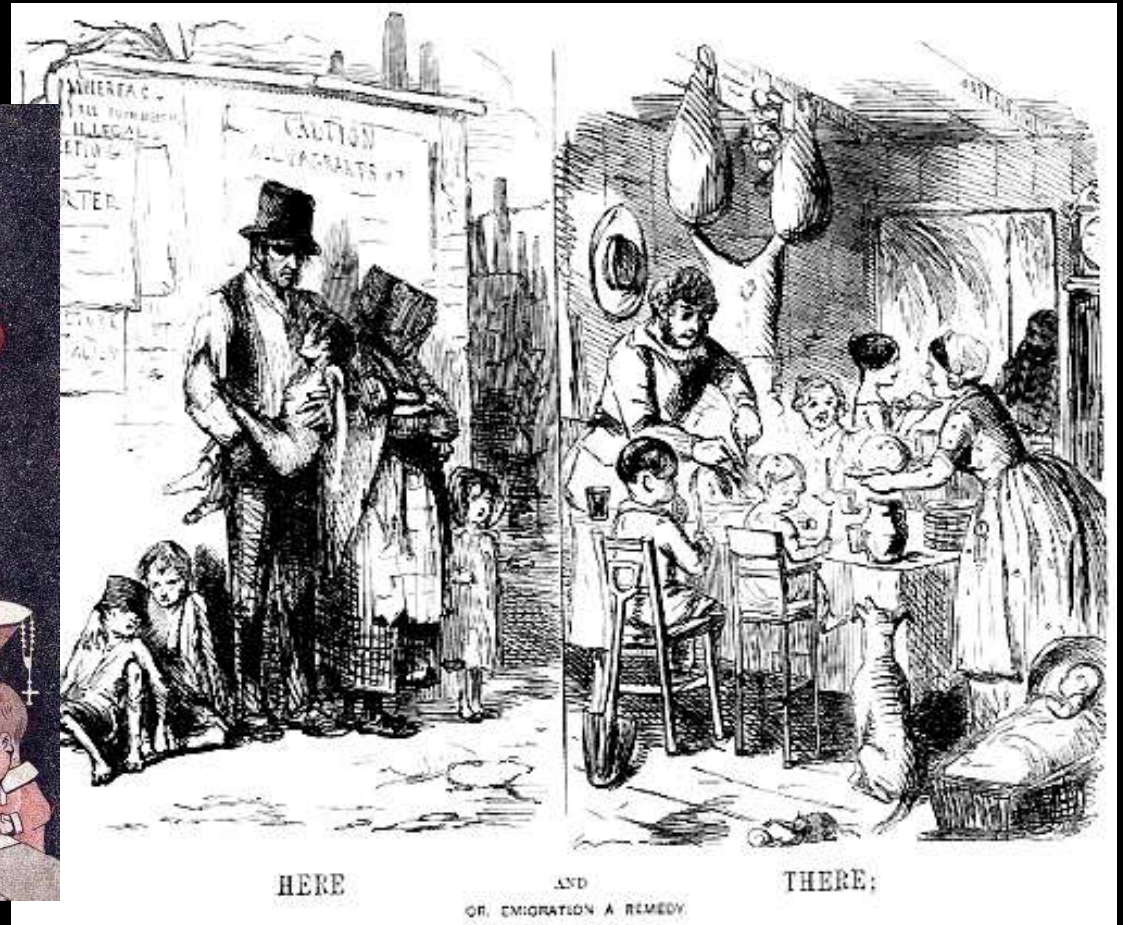


NOTICE TO QUIT.

MR. PARNELL.—I have the honour to present your Excellency with one of those legal documents for which your Excellency has always entertained the warmest admiration. You shall have a few days' time to pack up your ghastly instruments of office and take to your heels.
EARL SPENCER, hastily taking the paper, (sighs)—I did not think it would ever come to this, that I should be ignominiously kicked out of my castle of coercion by one of Foster's prisoners.

The Dismal Years

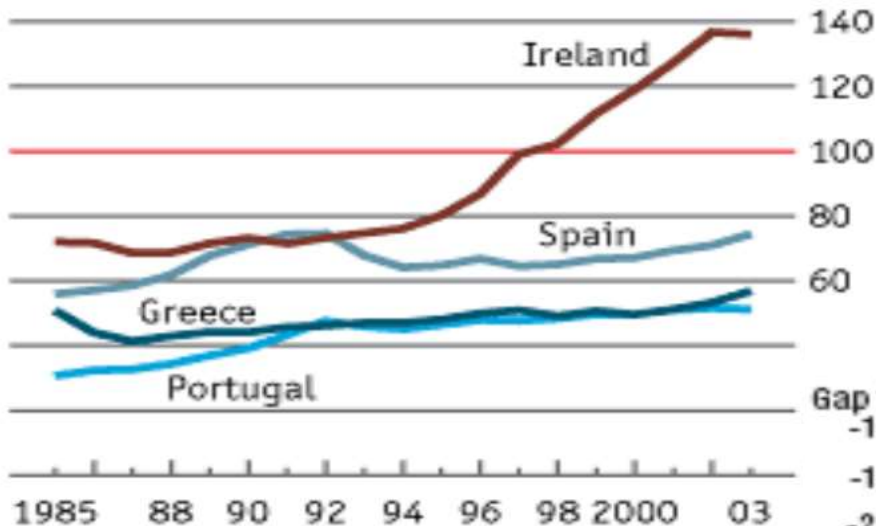
- Protectionism, religion, lack of education, emigration



The Celtic Tiger

Leader of the pack

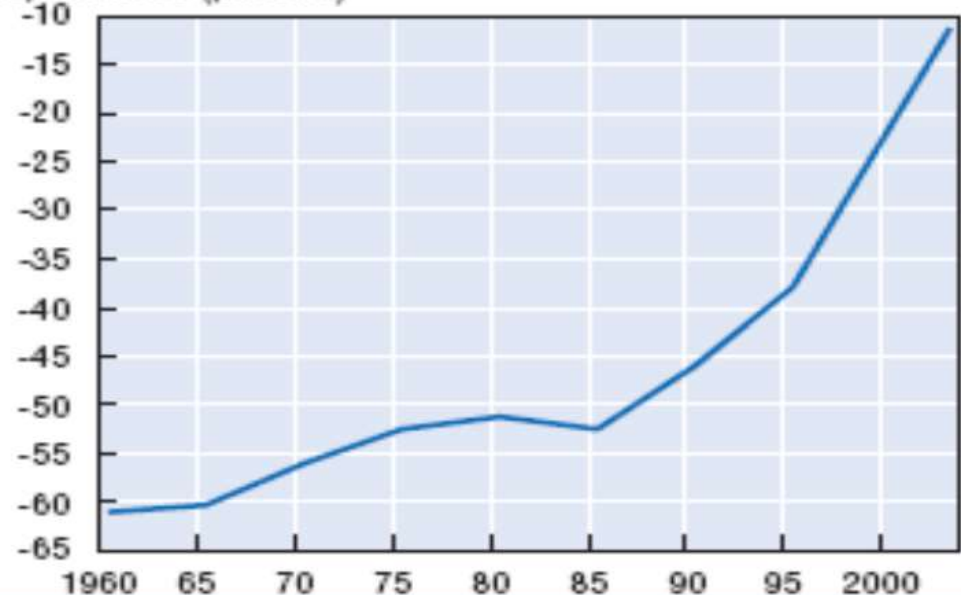
GDP per head as % of EU15 average



Sources: OECD; Economist Intelligence Unit

A. Fast convergence in GDP per capita continues¹

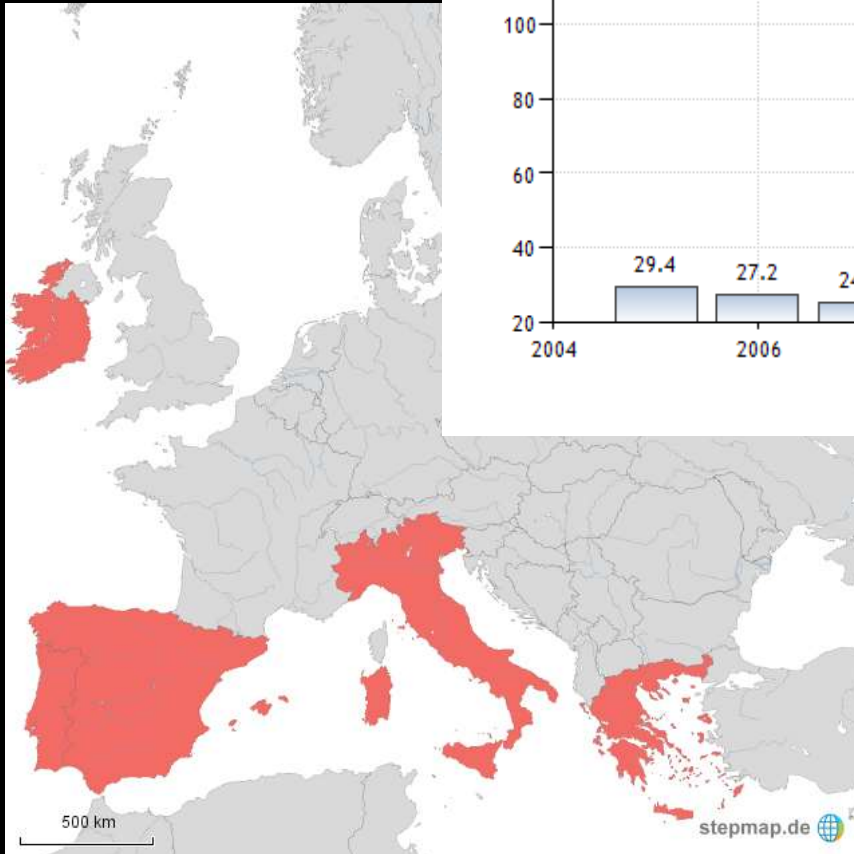
Gap to the US (per cent)



Percent Growth Compared to “Asian Tigers”

	1995	1996	1997	1998	1999
Ireland	11.1	7.4	9.8	9.1	8.3
South Korea	8.9	7.1	5.5	-5.7	0.5
Singapore	8.8	7.1	5.5	-0.8	0.5
Hong Kong	4.6	4.7	5.3	-5.7	1.5
Taiwan	5.9	5.7	6.0	3.7	3.7

The Fall and GIPSI



Housing Crisis

Figure 8: House Completions Per Thousand People

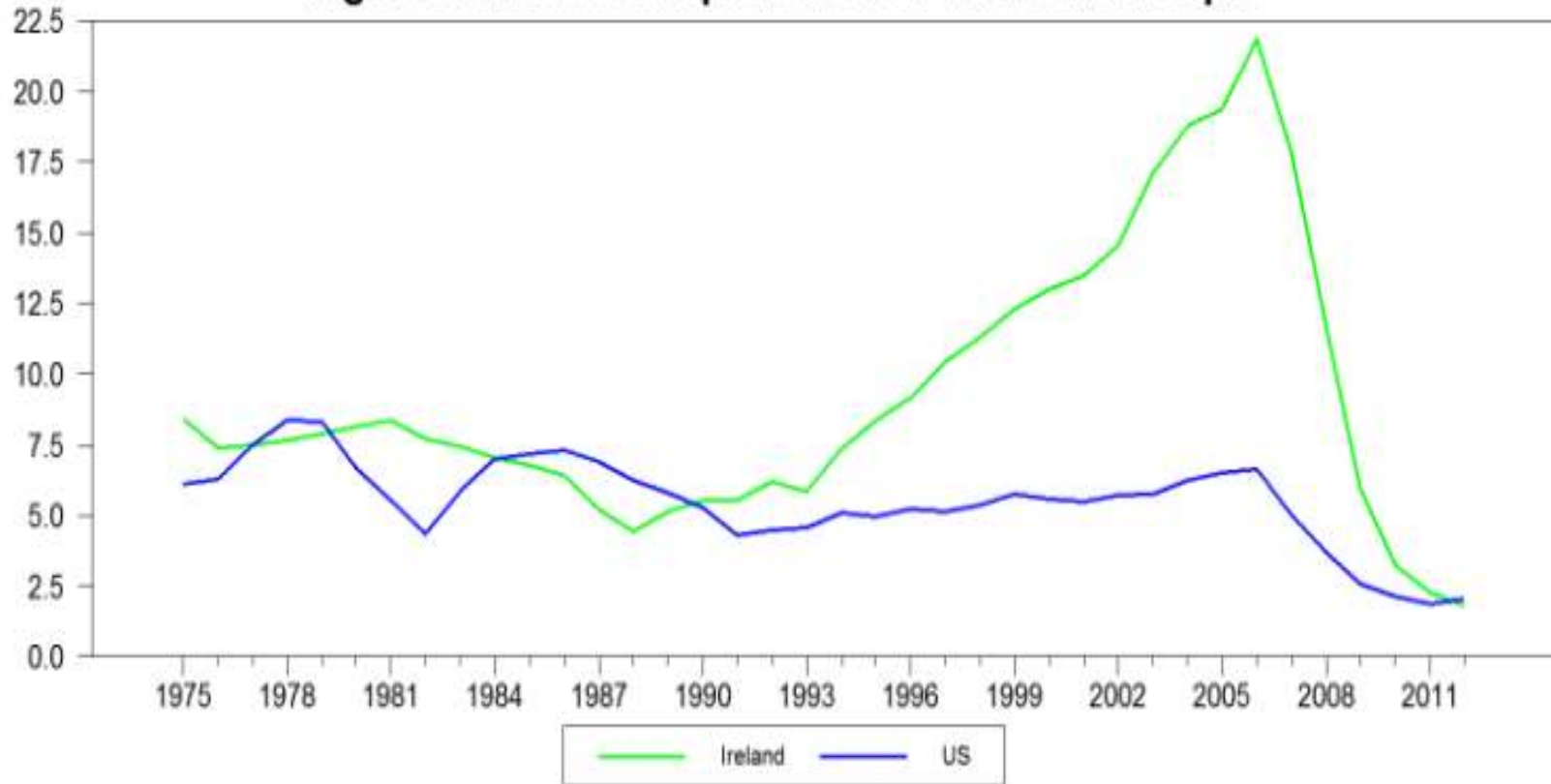
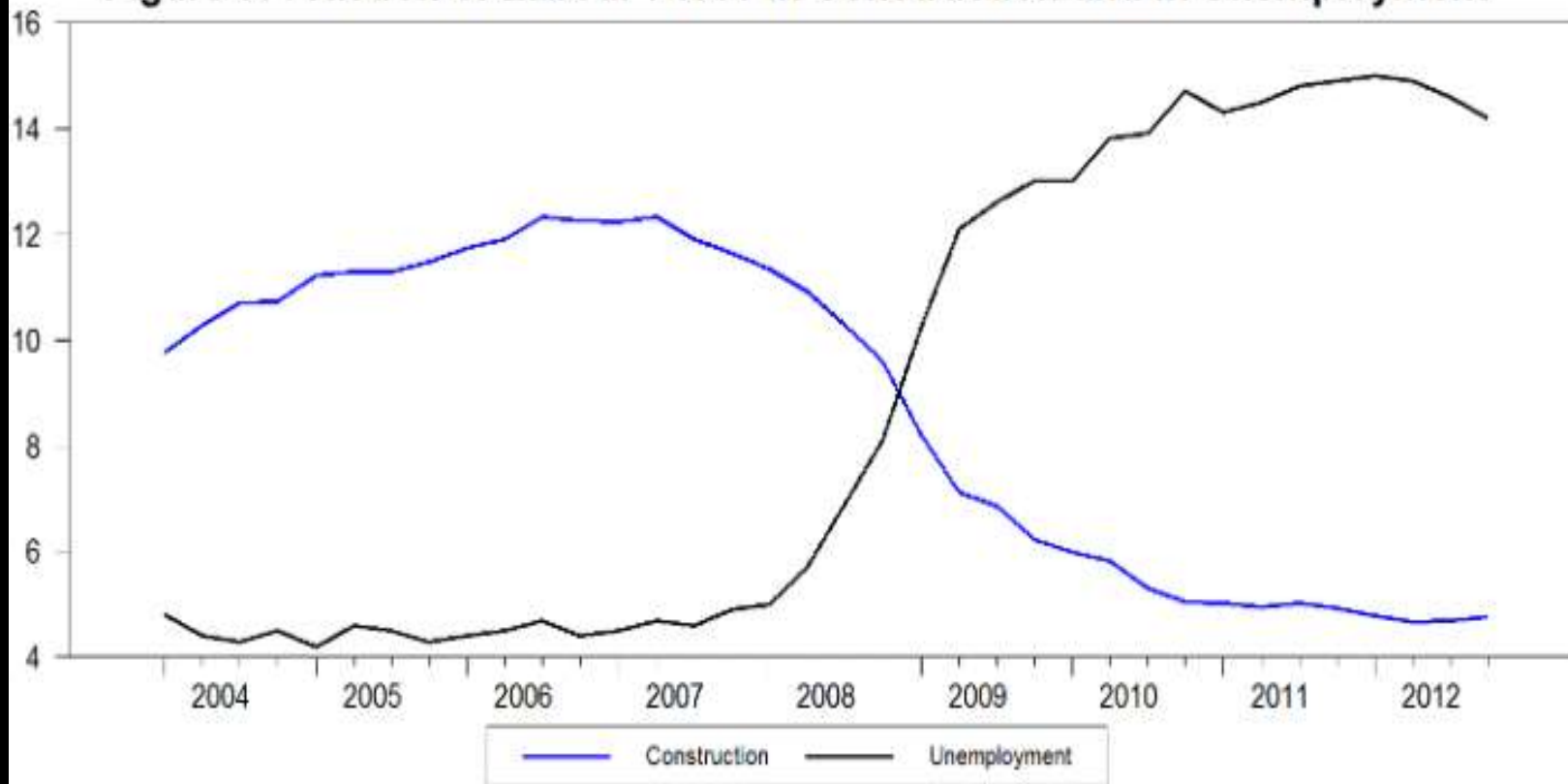


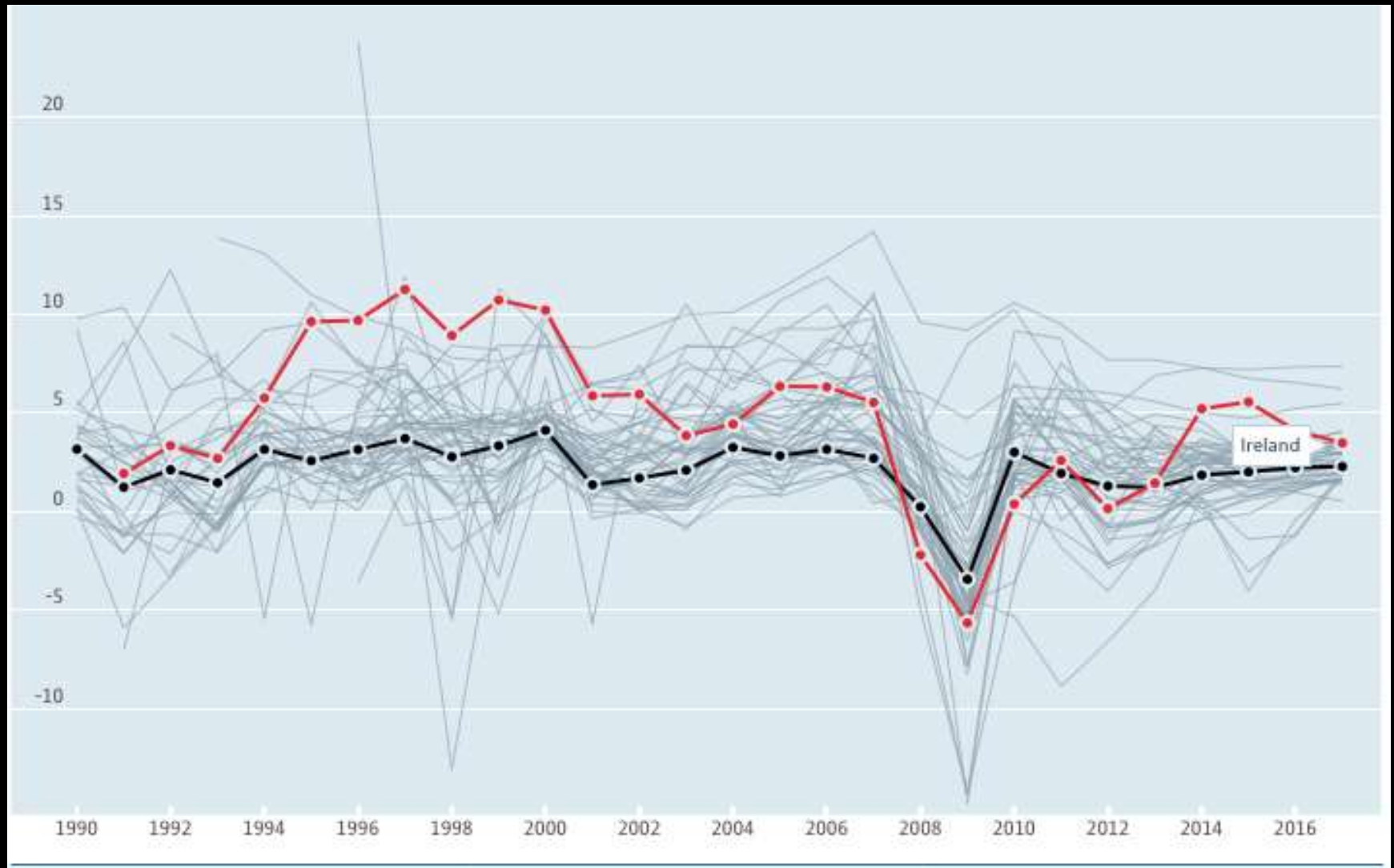
Figure 9: Fraction of Labour Force in Construction and in Unemployment



Revival and Celtic Phoenix?

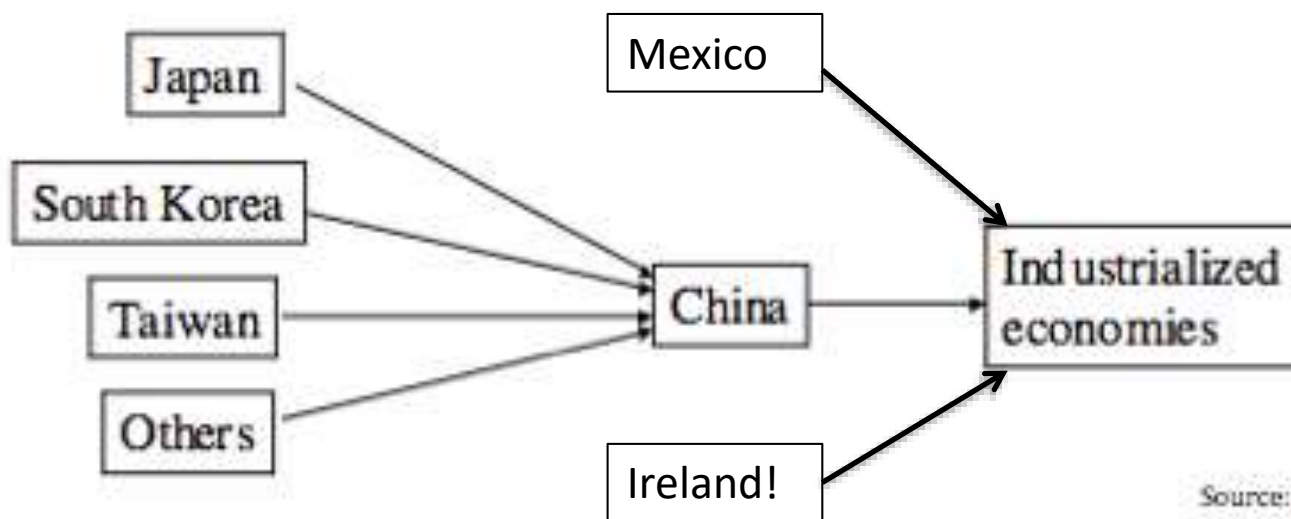


The Result:



The End of Export Led Growth?

- Debt Saturation
- “Race to the Bottom”
- China’s dominance

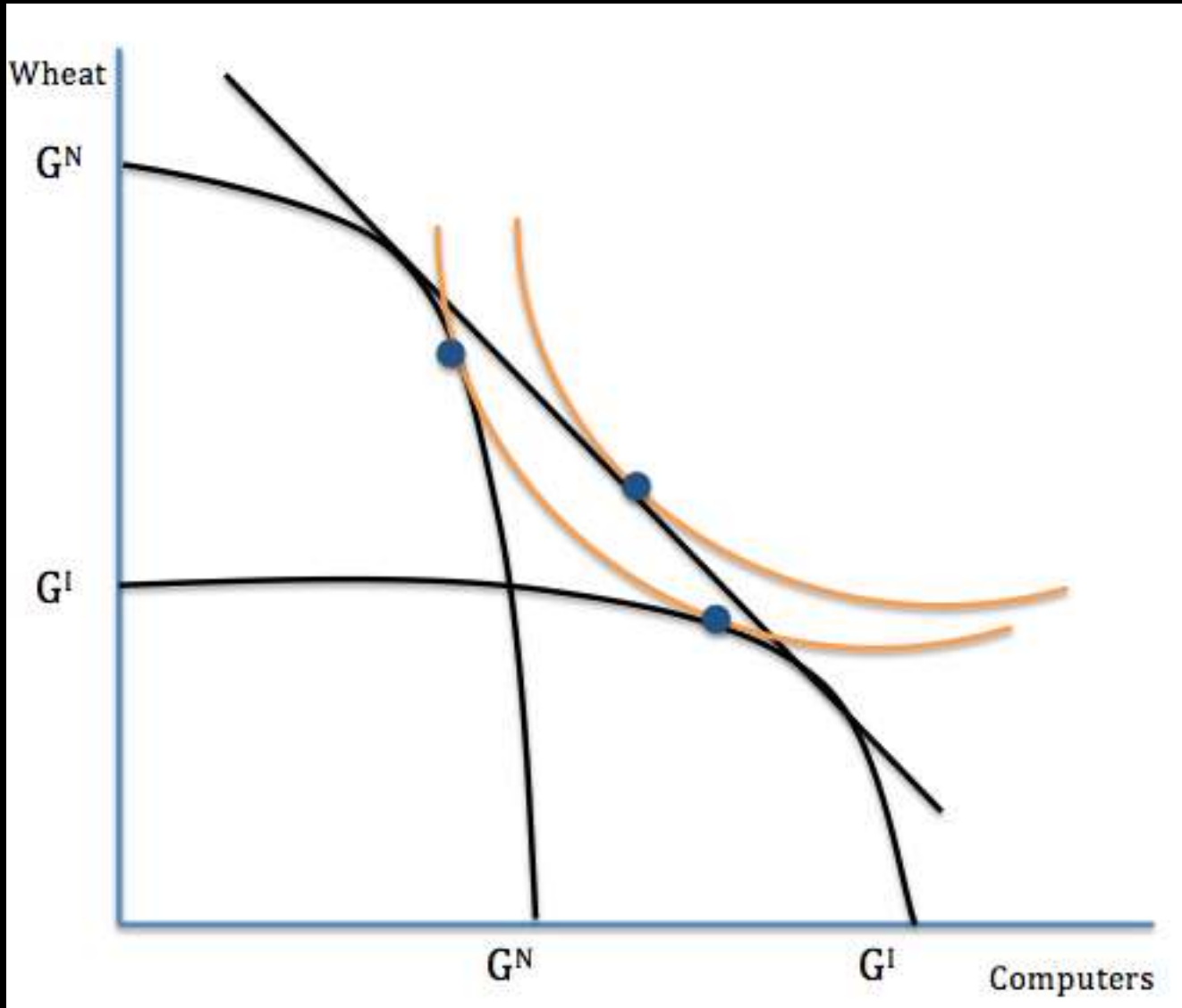


Regression Analysis

- GDP= $\beta_0 + \beta_1 \text{exp1} + \beta_2 \text{investment} + \beta_3 \text{OECDGDP} + \beta_4 \text{s spend} + \beta_5 \text{Unemp.}$

Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t	Heteroscedasticity Consistent		
						Standard Error	t Value	Pr > t
Intercept	1	-50862	9550.00102	-5.33	<.0001	9228.40971	-5.51	<.0001
Exp1	1	0.70115	0.27057	2.59	0.0170	0.23552	2.98	0.0072
Investment	1	1.03021	0.16507	6.24	<.0001	0.15677	6.57	<.0001
OECDGDP	1	0.00214	0.00086839	2.46	0.0225	0.00073595	2.91	0.0084
Sspend	1	931.51765	1060.59616	0.88	0.3897	1104.11945	0.84	0.4084
Unemp	1	1112.71531	1067.38488	1.04	0.3090	1106.95096	1.01	0.3262

Model Analysis



G^I =Ireland
 G^N =Nigeria

G^P =Peru
 G^N =Nigeria

What about Ireland?

- EU Imports: \$2.25 Trillion
- Corporate Tax Rate: 12.5%
- Education level: 49.7% w/ tertiary education
- English Speaking
- Eurozone country
- Exports from Multinational Corporations:
87.6%

Policy Recommendations

- Return to export led growth with some caveats
 - Housing Market
 - “There is not even a glimmer of a construction boom.”
 - Credit Boom
 - “Credit is still falling rather than ballooning, as occurred in the previous boom.”
 - Public Spending
 - “Another \$1.6 billion to public spending in 2016.”
- A future in domestic growth