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Government Policy

- **As a country, is our policy making primarily economically or socially led?**

I'm not sure there is a definitive answer to the question. Many on the left would argue that it is driven by economics, but that is certainly contested by those on the right. It might be argued that the two are not at odds with each other, in that a successful society can only be built on a strong economy. What is true to say is that policy makers (i.e. politicians) are acutely aware of the need for the economy to perform well, and have been sensitive to the needs of business. It is also true that social spending has increased dramatically in the last 30 years, though many measures show that Ireland is one of the lower social spenders among rich countries, they usually measure it as a percentage of GDP, which for various reasons does not work for Ireland. If you use GNI*¹, Ireland is a bigger spender. In fact, when you take into account tax, and social spending, Ireland moves from being a very unequal society to one of the most equal in the rich world, so social spending appears to be deliberate and effective.

¹ Modified GNI (or GNI*) is an indicator that was recommended by the Economic Statistics Review Group and is designed to exclude globalisation effects that are disproportionately impacting the measurement of the size of the Irish economy.