

## What is the New Economic Model?

Ireland has become a prosperous country with very significant wealth North and South. Many people's standards of living have improved very significantly. At times, Ireland has been seen as a model of growth and political progress around the world.

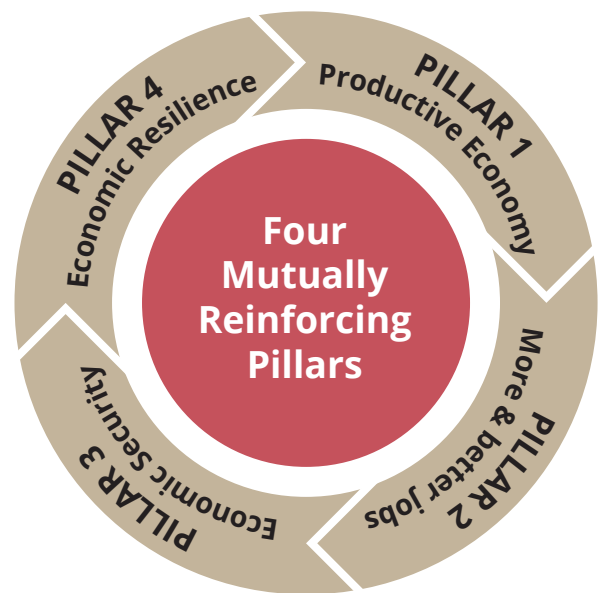
And yet, in our lives and communities it is common for people to look around and ask why organising their lives is so difficult; why so many jobs are low paid with few prospects; why balancing work, family and leisure is so tricky; why their society prosperous though it is lurches from crisis to crisis.

The New Economic Model provides a roadmap for a way through these dilemmas. It outlines the foundations and scaffolding for a 'High Road' of economic and social development. In this model, high quality employment and easily available high quality social services support each other. This high quality system of work, employment, care and investment drives forward an economy that is highly productive and provides sustainable development, driven by the ingenuity of an empowered workforce. Furthermore, this combination of productivity, good jobs and supportive services gives us a well funded protective shell around our public finances and a stable core to our economy that shelters us from the inevitable crises that face an island like Ireland which is so exposed to international winds of changes.

While Ireland has experienced strong growth in national income, some of this has been based on a variety of policy and political shortcuts. We have juggled a variety of international relationships and at different stages we have relied on bubbles in property and in foreign investment. In the process, we have neglected opportunities to seriously build upon our skills, domestic enterprises and community structures to provide a prosperity that reaches all and is experienced more fully in peoples' lives.

Despite our experiences of how economic crises can shatter lives and communities, our economy's foundations remain unstable. We have substituted unreliable tax revenues for a genuine sustained effort to invest in ourselves, our companies and our societies. All these shortcuts are now looking more and more unreliable as new social challenges of aging and family care; problems of costs and conflict in the global economy; and the deep instability in global politics leave us highly exposed.

The New Economic Model provides a framework that can give us some stability in stormy times and also invest in ourselves during periods of calm. It provides a model where four pillars reinforce one another.



- A Productive Economy, driven by sustained investment in the ingenuity of workers and 'good companies'
- High Quality Employment, which builds on our employment growth to deepen the quality of those jobs across the whole labour market
- High Quality Social Services, which provide a stable foundation for how we organise our lives and making it easier for good companies to grow and develop
- Fiscal Stability, which provides a protective shield for our economy and society against international crises and a foundation for our own sense of economic and social security

These pillars can be the basis of a High Road of economic and social progress on the island of Ireland