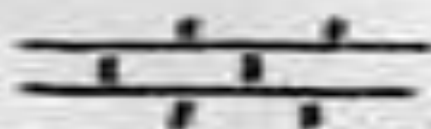
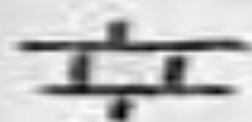


# **First Inter*Trade*Ireland Economic Forum**

## **Developments in Northern Ireland**

**Michael Smyth, University of Ulster  
& Neil Gibson, Oxford Economics**





*'The others have left. We  
keep bankers here now'*

MATT



*'I don't think politicians have ever  
been higher in my estimation'*

# MATT



*'I see from my tea leaves that growth next year  
will be even higher than we forecast'*

# MATT



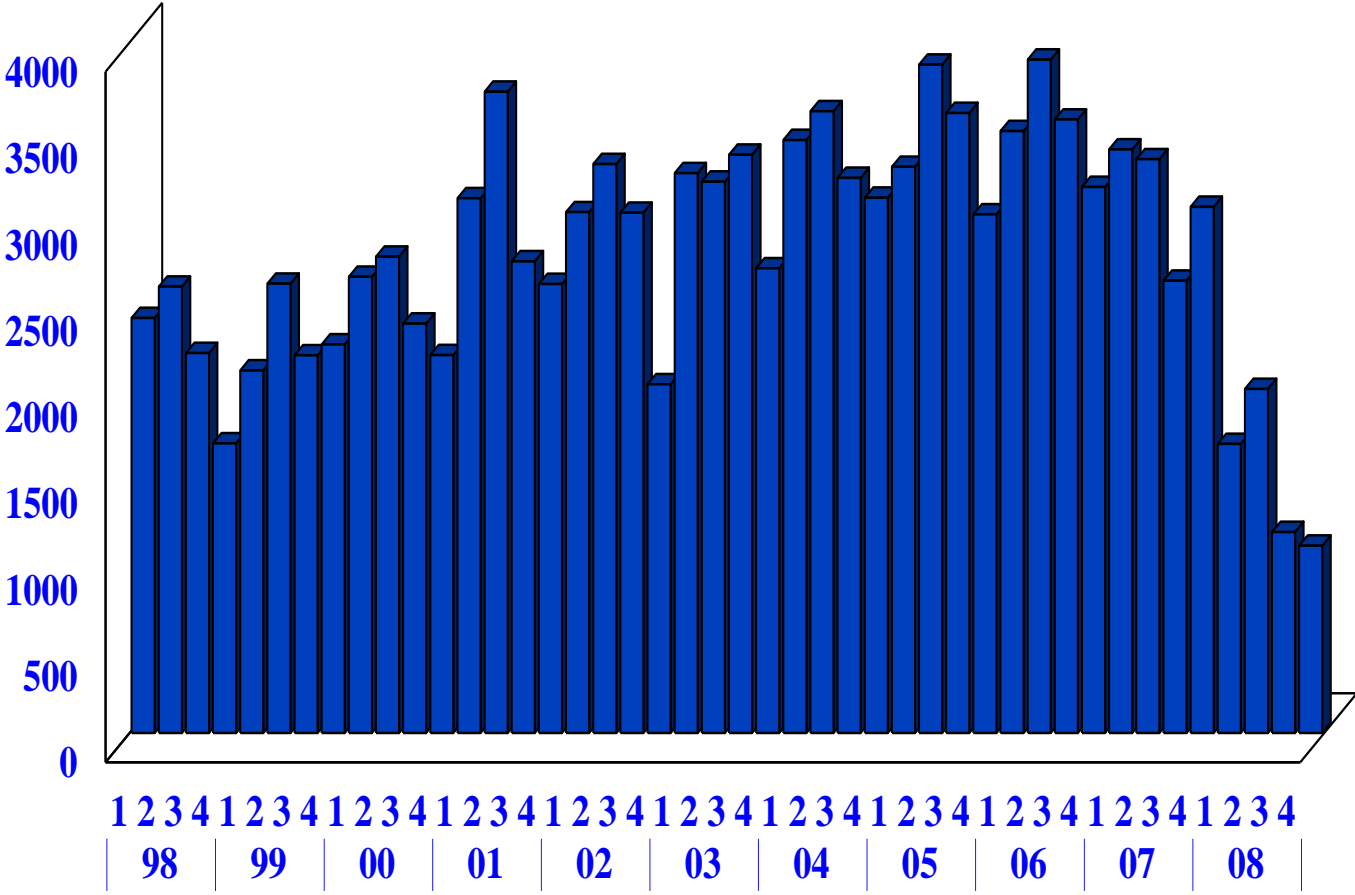
*'What, me? Unemployed?  
Well, I didn't see that coming'*

MATT



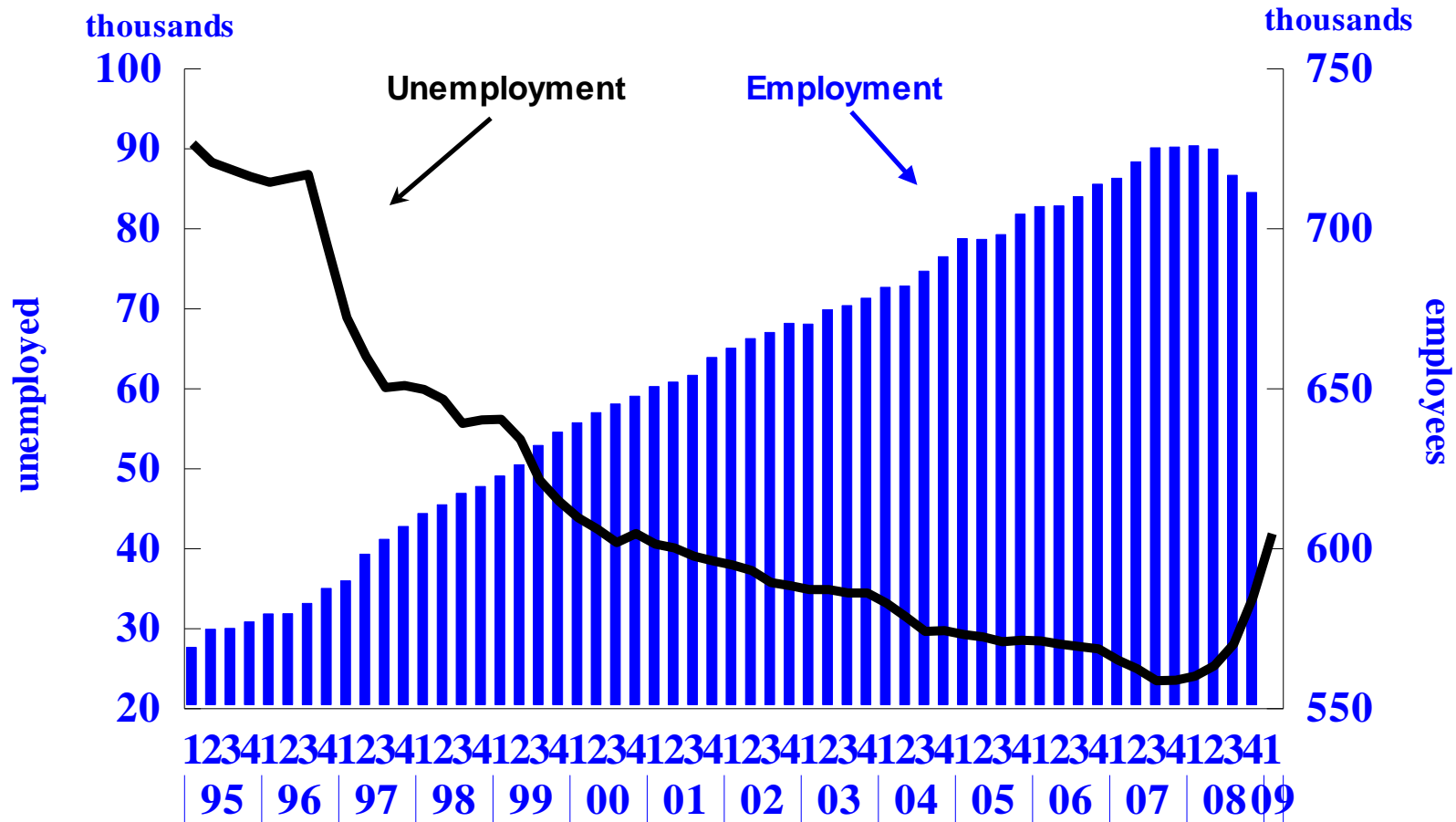
*'Can you tell the fees office I'm designating  
this as my main residence?'*

# Northern Ireland Private Sector New Housing Starts



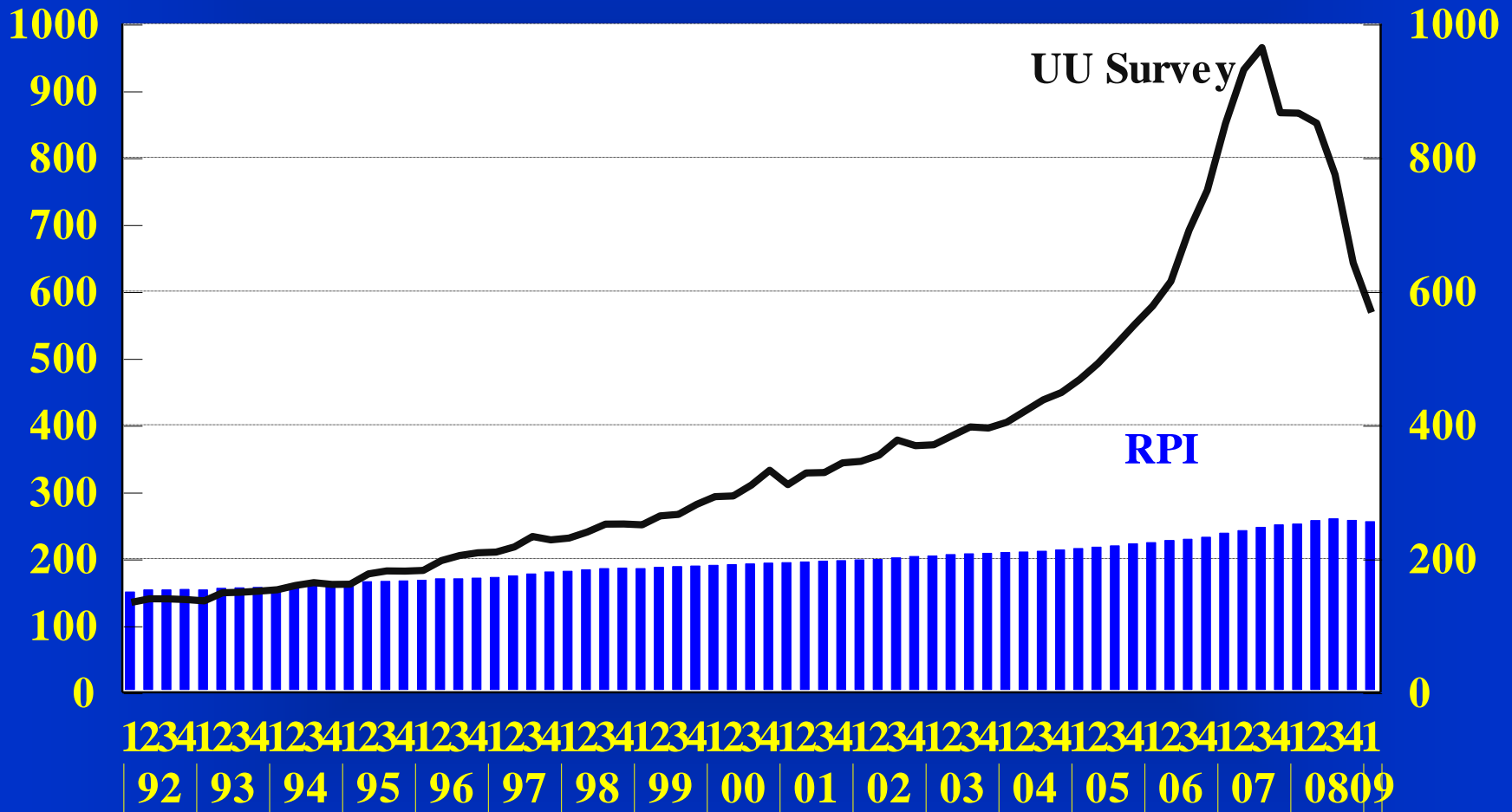
Source: DSD Northern Ireland

# Trends in Employment and Unemployment (seasonally adjusted)



Source: DETI

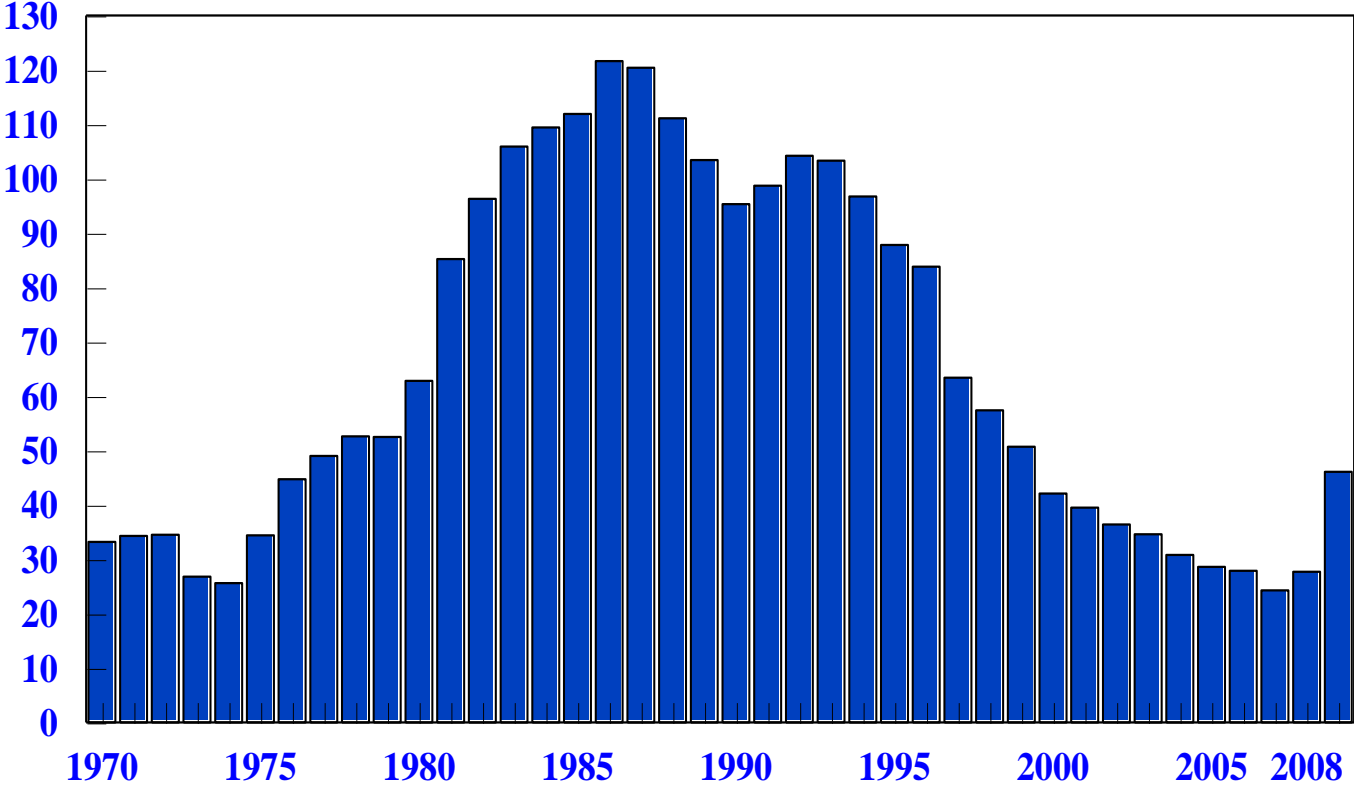
# Northern Ireland House Price Index and the Retail Price Index (1984.4 = 100)



Source: UUJ, CSO.

# Northern Ireland Unemployment 1970-2008/09

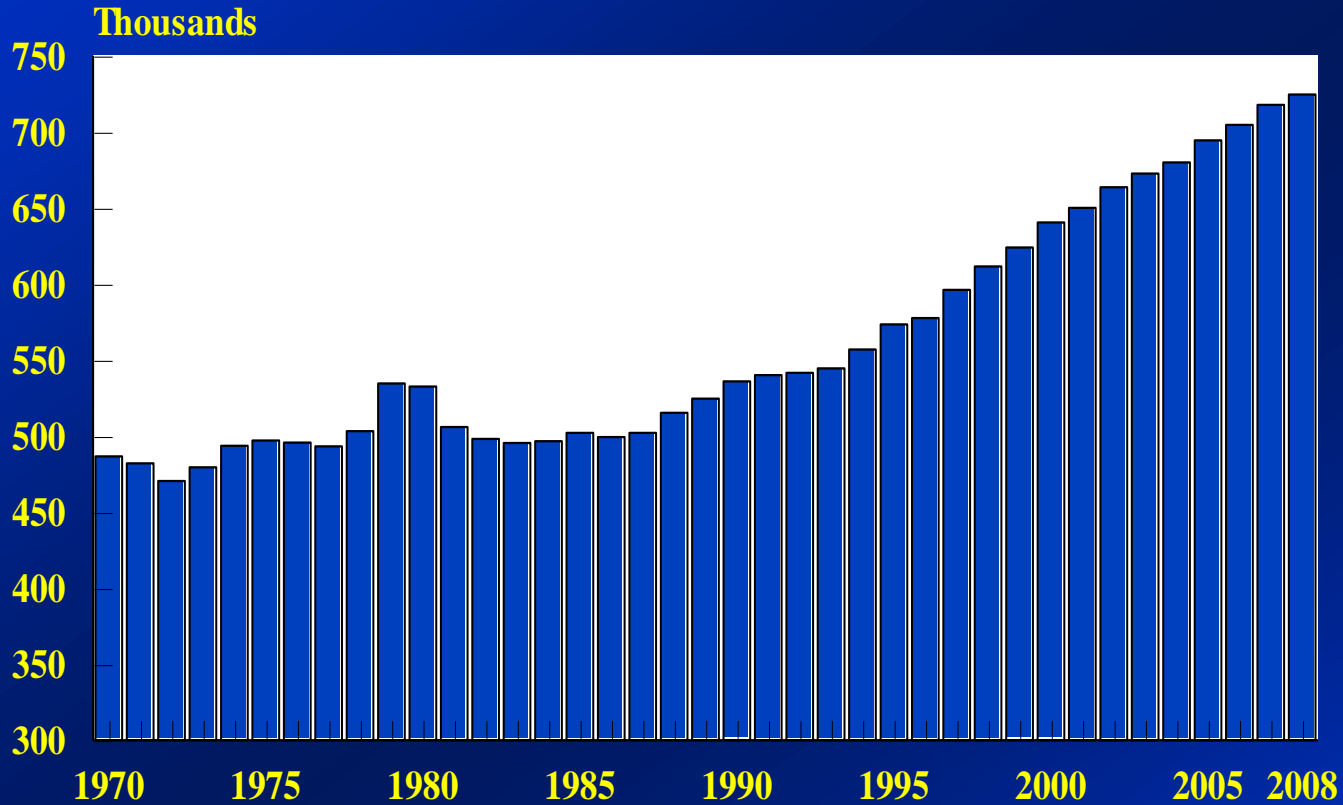
*Seasonally Adjusted*



Source: DEII

# Northern Ireland Employment 1970-2008

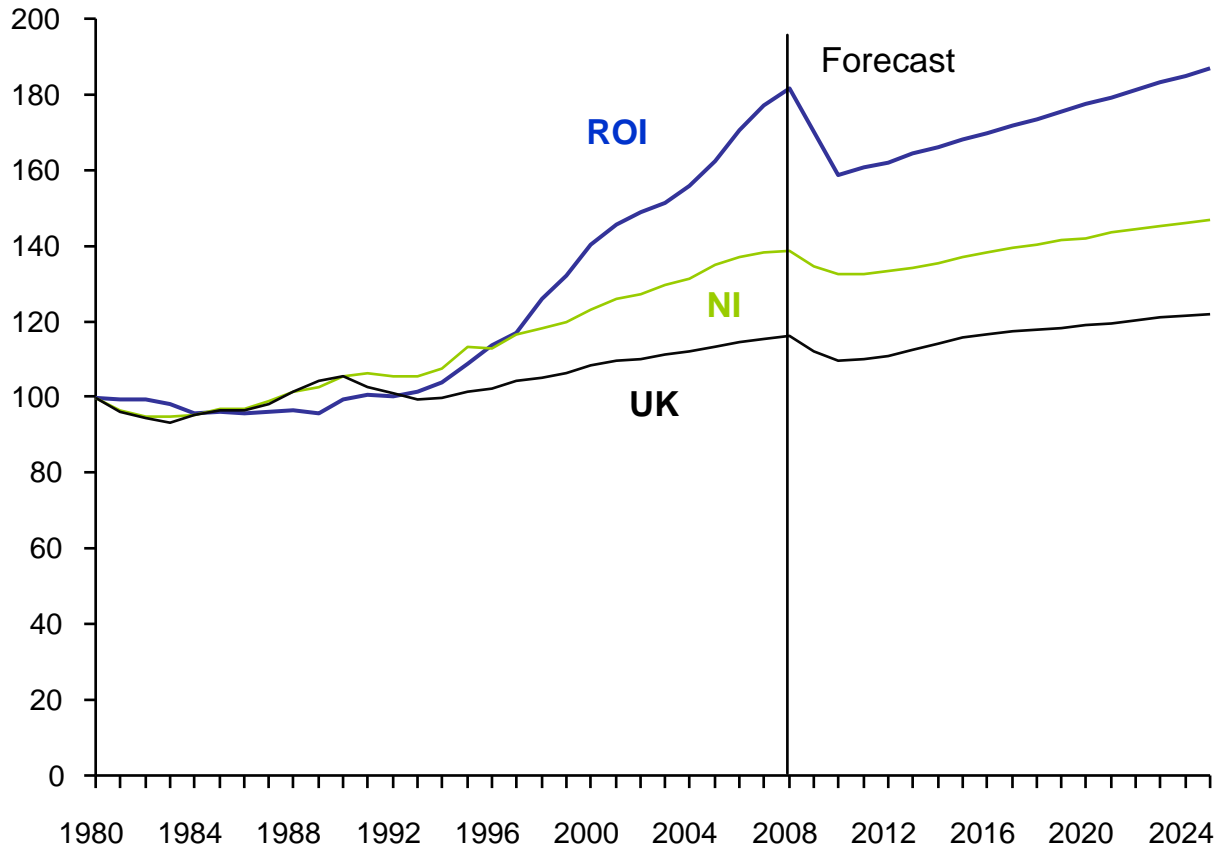
*(Employee Jobs)*



- **Deferment of water charges cannot continue...**
- **November 2008 financial package, PM agreed to waive charges for 2008/09 and 2009/10 but after then.....**
- **By 2010/11 water company deficit rises to over £500m.**
- **If original plan is abandoned, company assets (c. £6 billion) come back on to NI balance sheet**
- **...and will be charged by HM Treasury @ 3.5% >£200m per annum.**
- **Compromise on water charges must be found....**
- **...quickly.**

# Total employment, ROI, NI and UK

Index: 1980=100

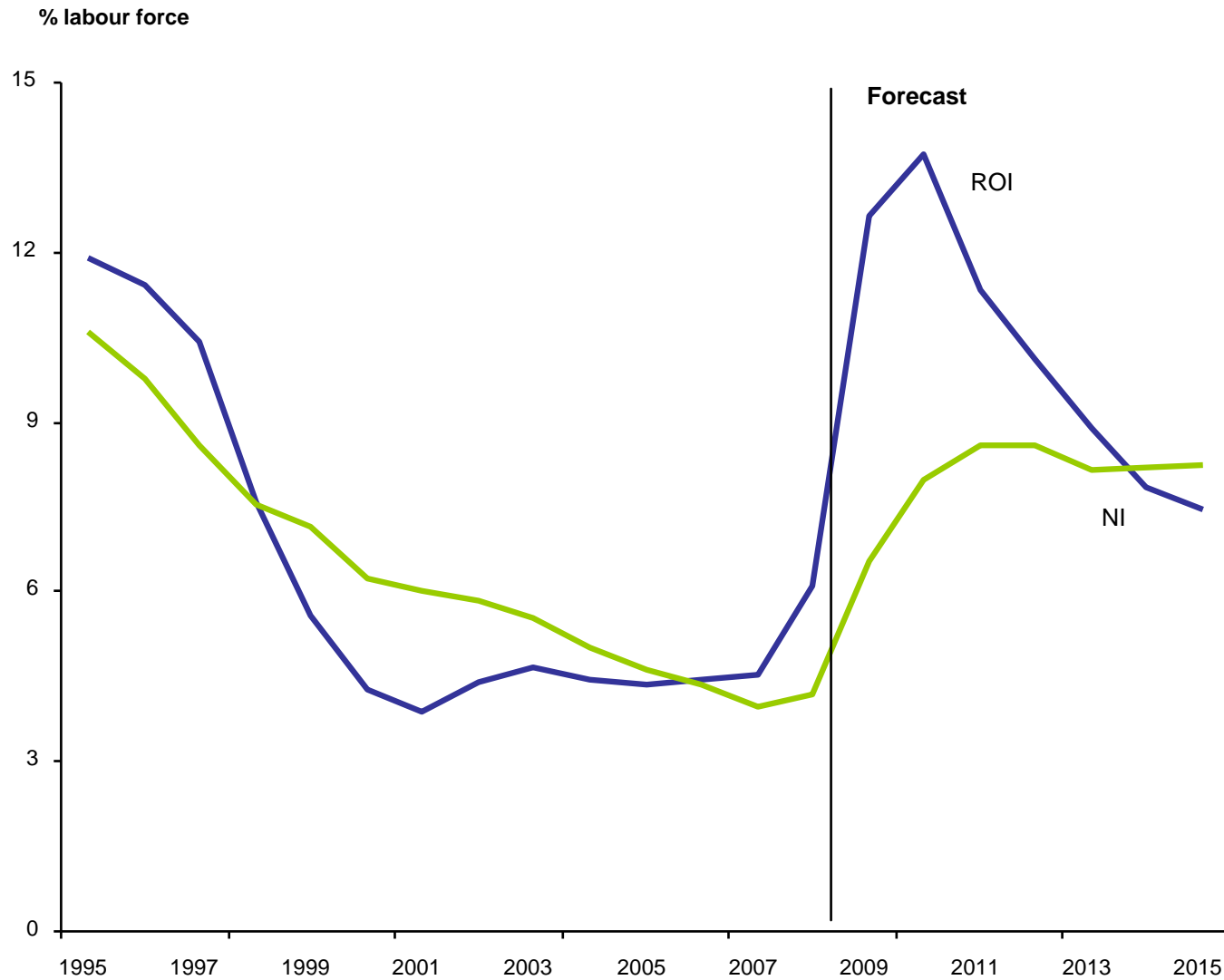


Year when  
employment  
reaches  
2007/2008 peak

|     | Year |
|-----|------|
| ROI | 2021 |
| NI  | 2018 |
| UK  | 2016 |

Source : Oxford Economics

# All-Island: Unemployment (ILO)



Source: CSO, LFS, Economic Eye

# An Island in recession (-7.8% in 2009)

All Islands economic  
growth forecasts (% per  
annum)

|      | ROI (real<br>GDP) | NI (real<br>GVA) | UK (real<br>GDP) |
|------|-------------------|------------------|------------------|
| 2008 | -2.3              | 1.3              | 0.7              |
| 2009 | -8.9              | -2.9             | -3.5             |
| 2010 | -0.6              | -0.1             | -0.1             |
| 2011 | 3.1               | 1.9              | 1.8              |
| 2012 | 3.1               | 1.9              | 2.5              |

Source: Economic Eye

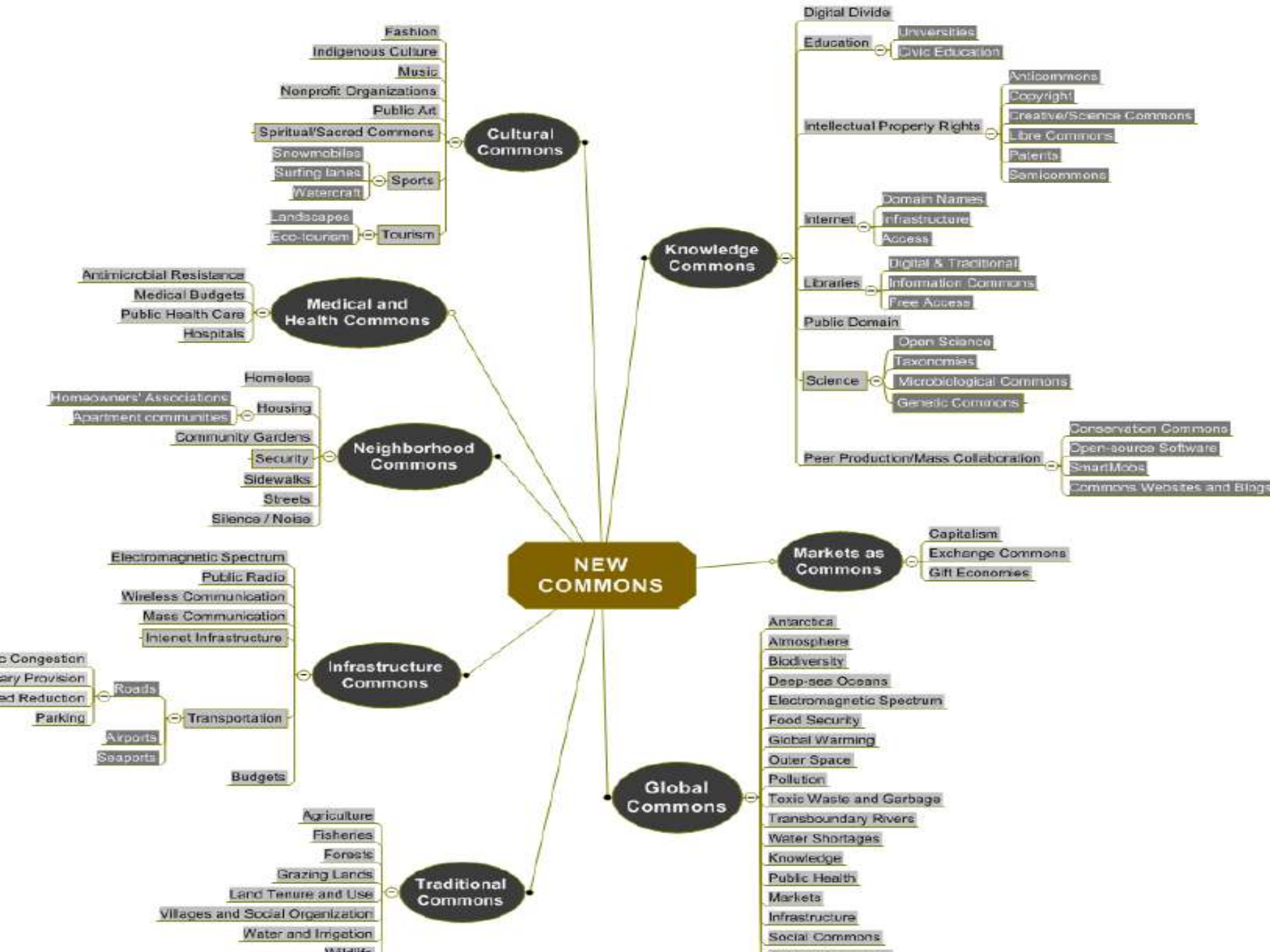
Note: GNP figures for Ireland differ modestly from GDP

# All island cooperation

- **Market failure as the rationale for intervention:**
- **1. The market failure should be in whole or in part caused by the existence of the border; and**
- **2. If it can be shown that the market failure can be more effectively addressed by the two governments working together rather than by each "doing its own thing".**

# All island cooperation

- A ‘new commons approach’
- Commons or more specifically the new commons refer to various types of shared resources.
- Shared resources have the essential feature that they share one characteristic with private property and one characteristic with public goods.
- Like public goods, they are not excludable because the common resource is too extensive to keep people out very easily.
- They are, at the same time, subtractable or rivalrous like private property.
- If one person uses them it reduces others’ access to them.



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graph LR; A([Medical and Health Commons]) --- B[Antimicrobial Resistance]; A --- C[Medical Budgets]; A --- D[Public Health Care]; A --- E[Hospitals];
```

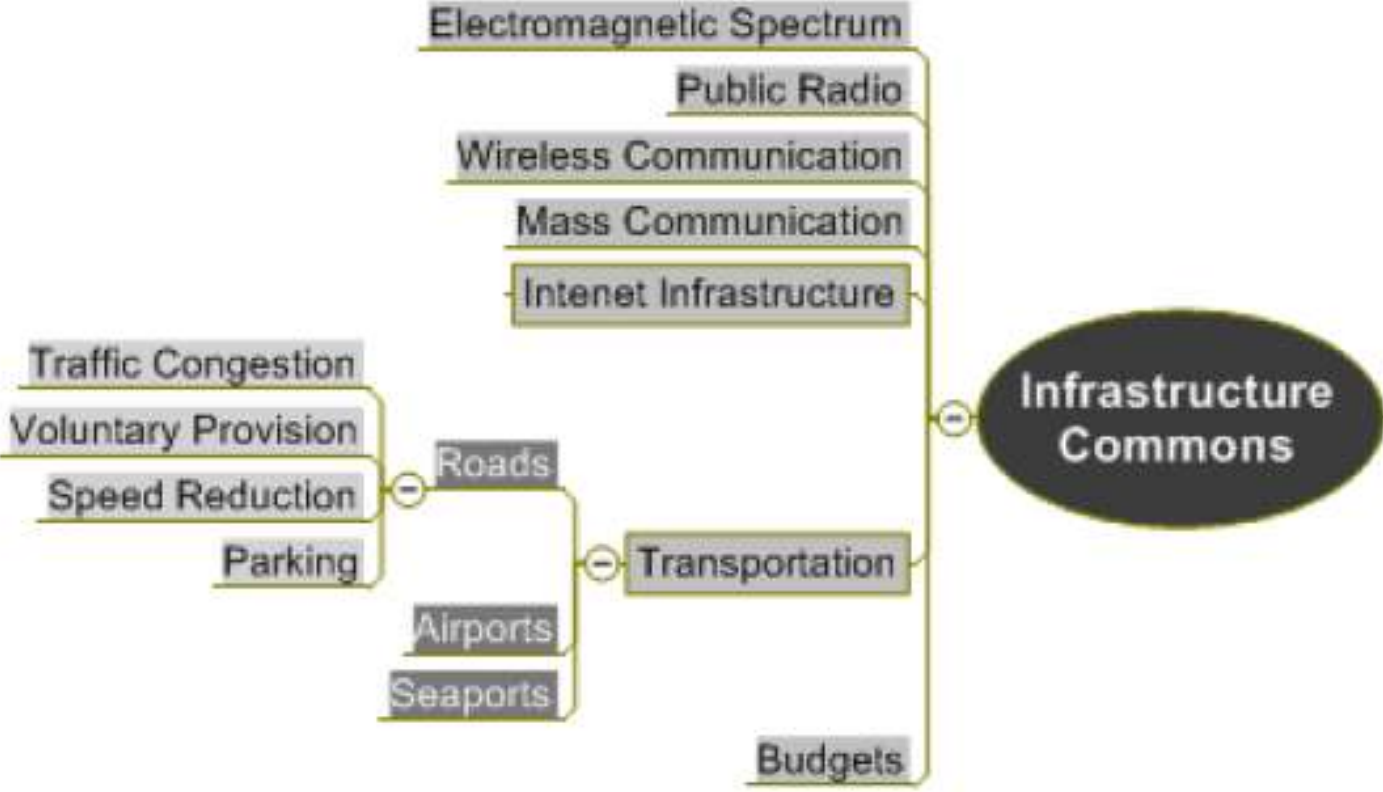
**Medical and Health Commons**

Antimicrobial Resistance

Medical Budgets

Public Health Care

Hospitals



**Knowledge Commons**

