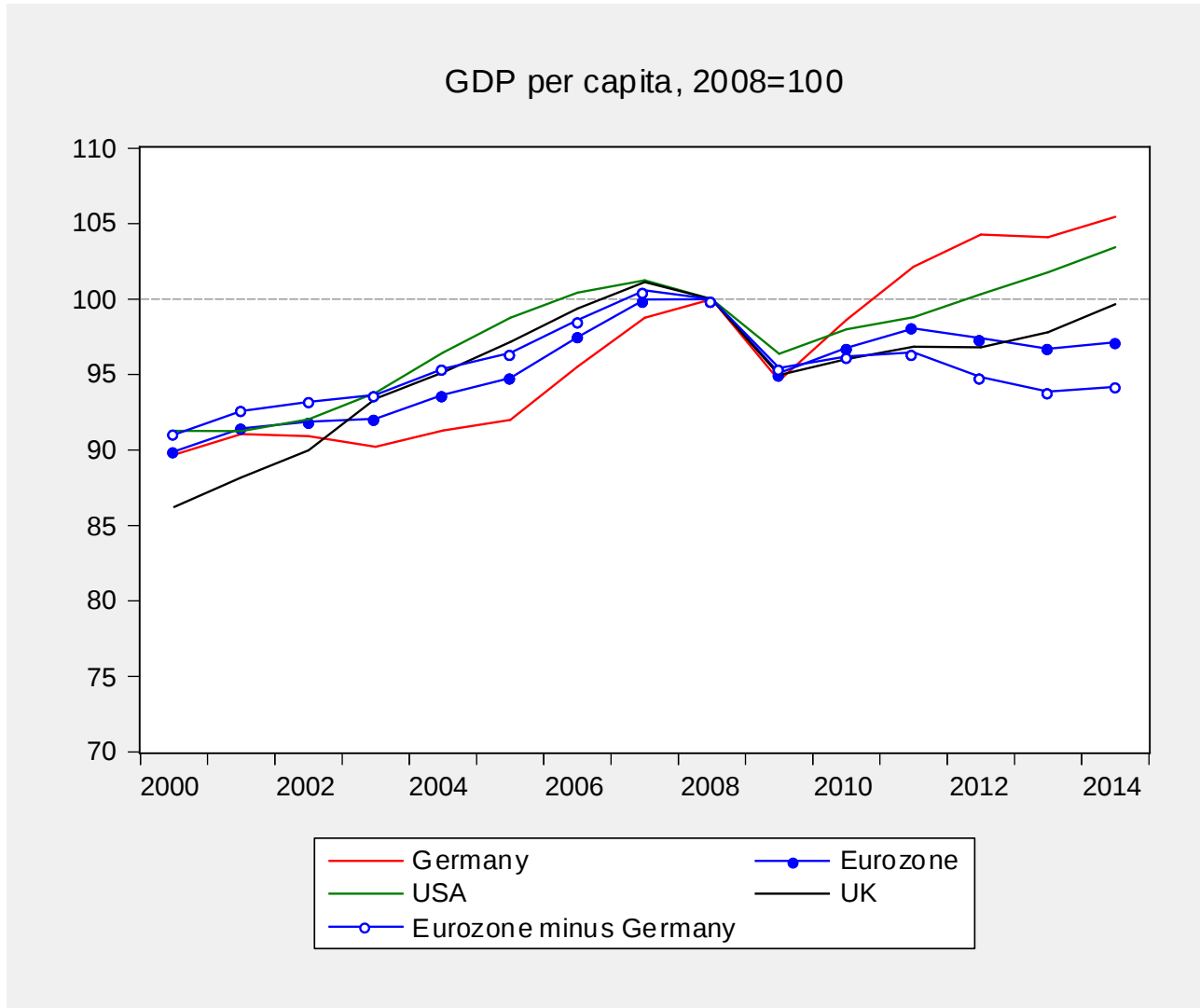


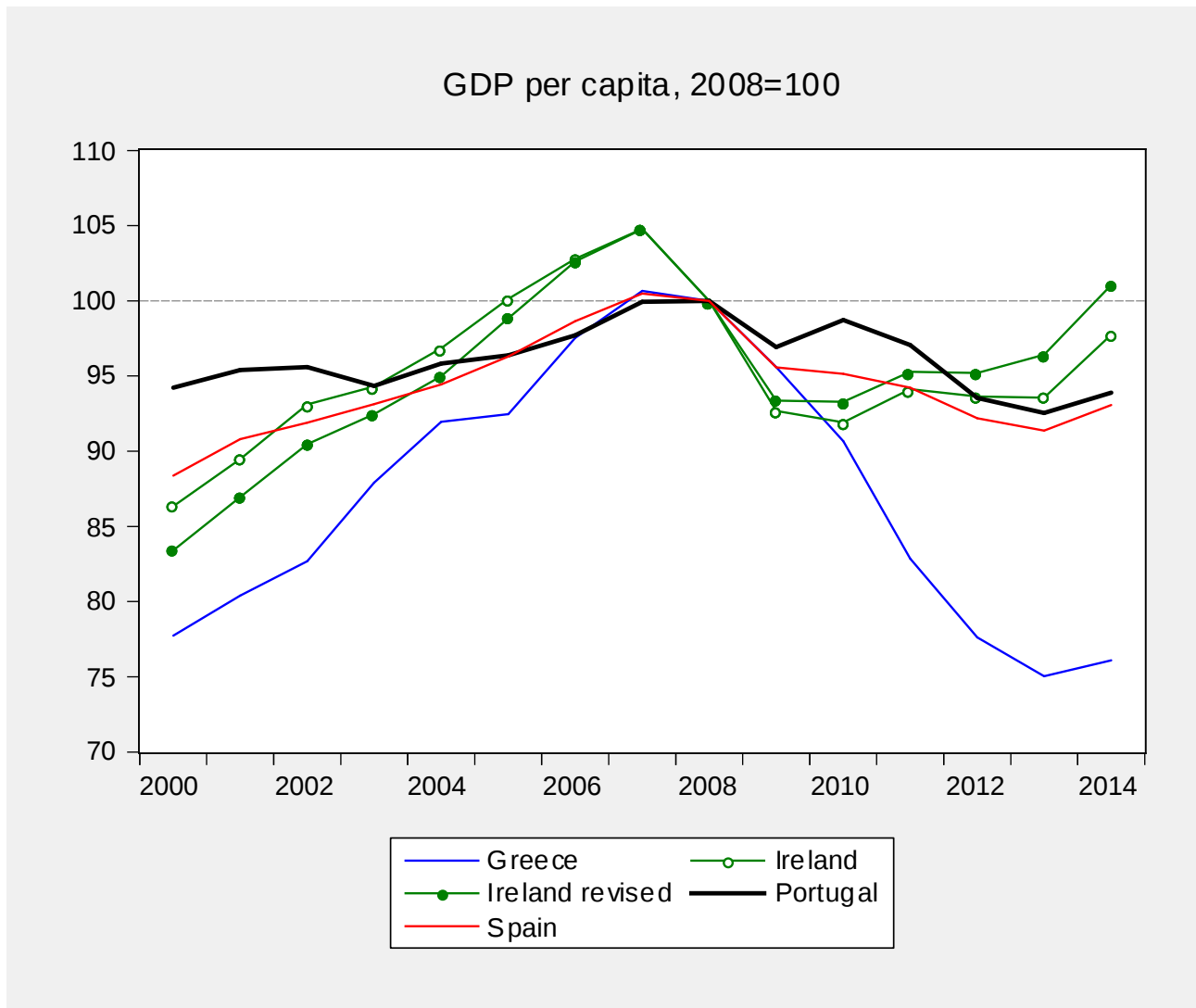
# Comments on Reis

Kevin Hjortshøj O'Rourke  
Brookings, September 2015

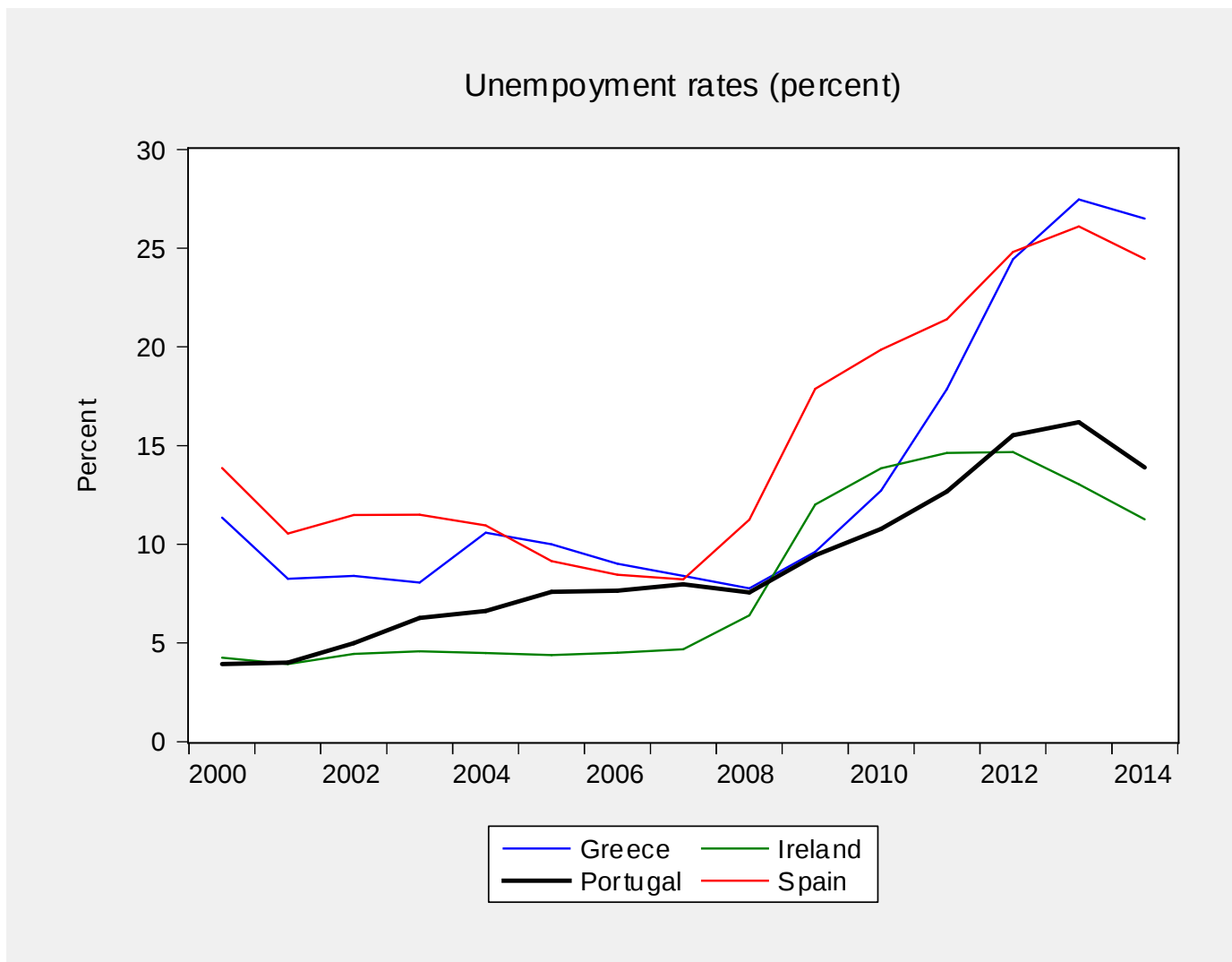
# Hard to speak of success in EZ context



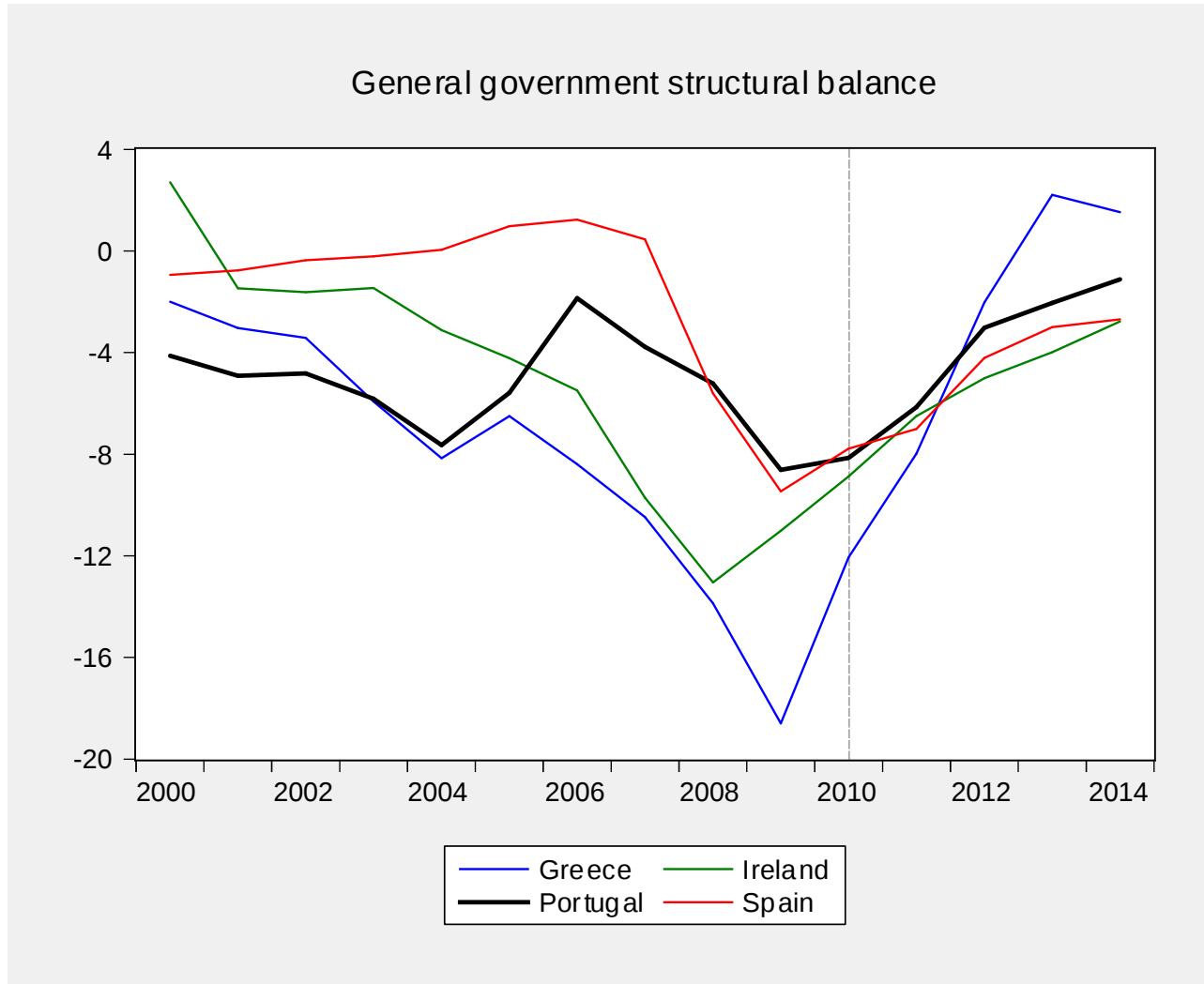
# PIIGS: Ireland best of a bad bunch



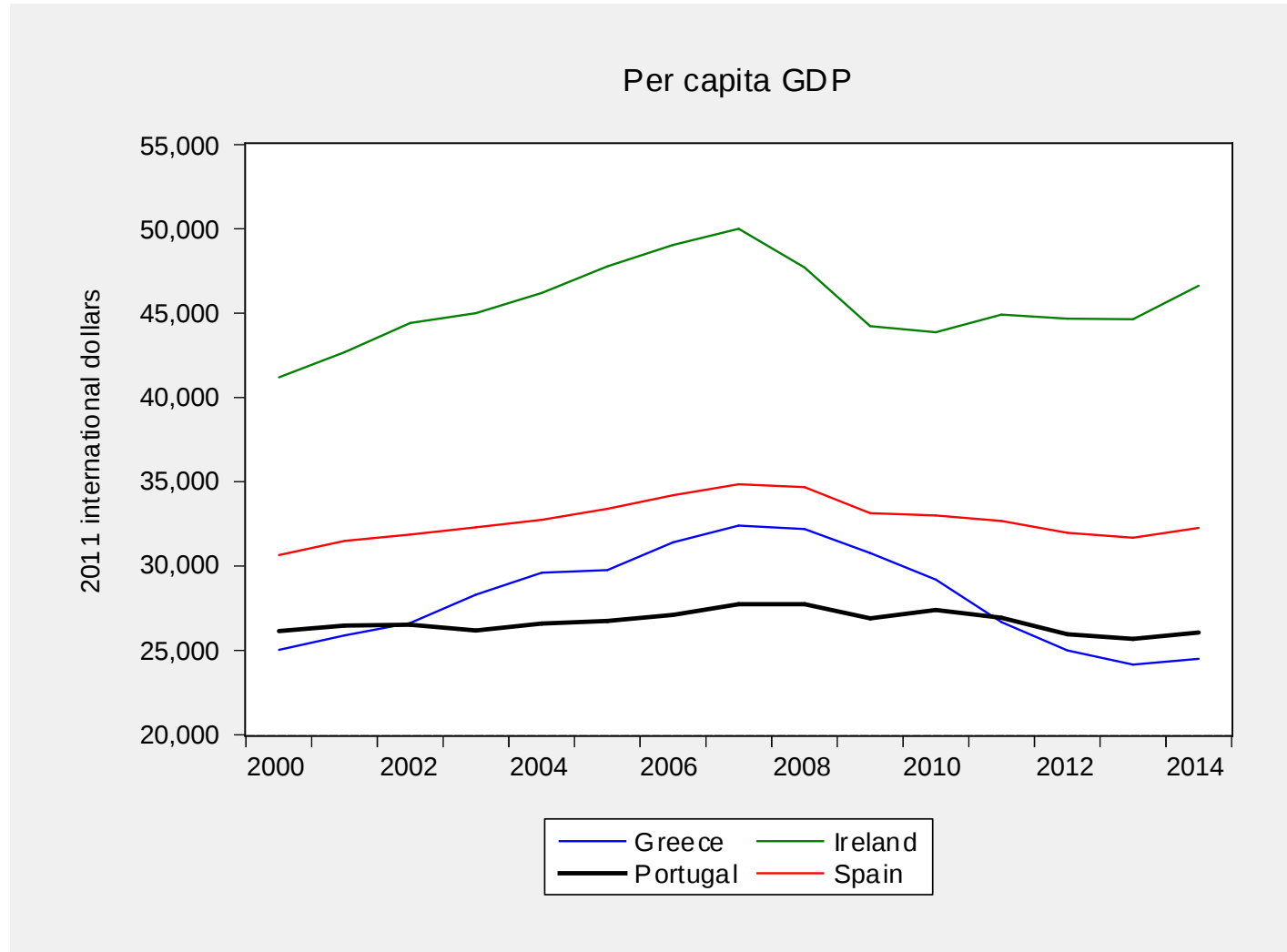
# Flexible labour markets? Emigration?



# Ireland's fiscal consolidation precedes Troika



# Austerity easier if you are richer..

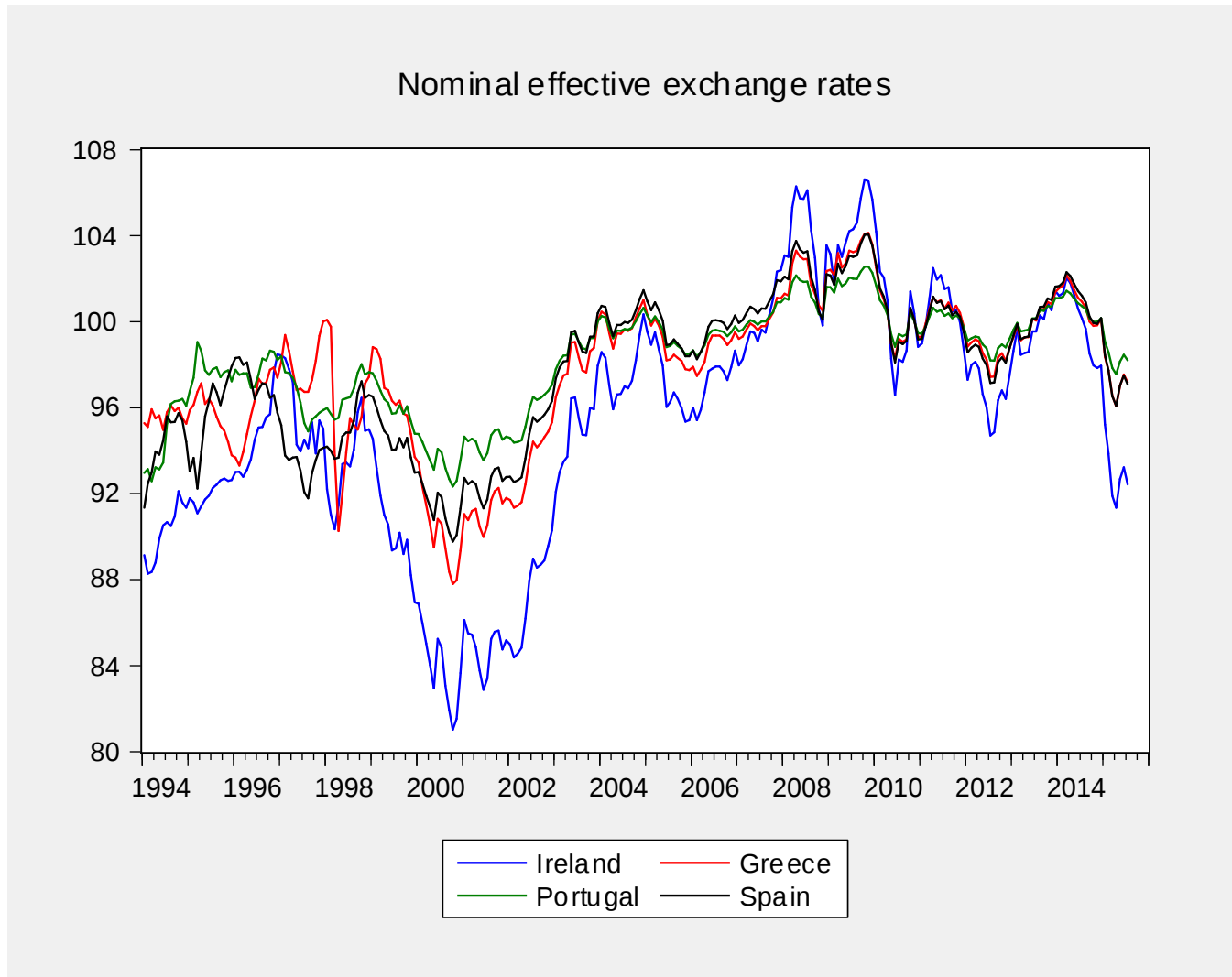


# ..are exporting to growing economies..

**Exports of goods of the EU Member States: top 3 partners, 2014**  
(based on trade value)

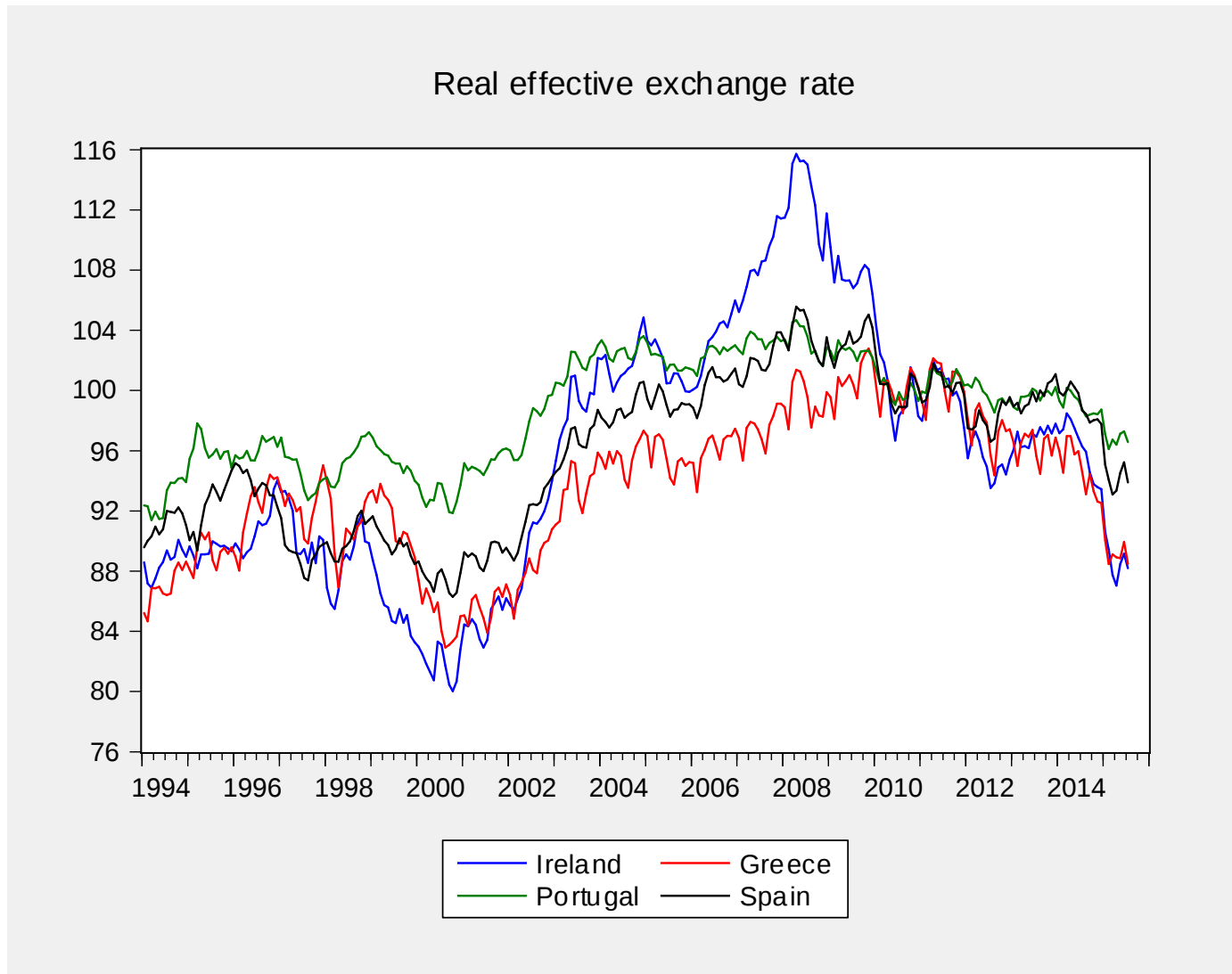
	Main partner	%	Second main partner	%	Third main partner	%
<b>EU*</b>	<b>United States</b>	<b>18</b>	<b>China</b>	<b>10</b>	<b>Switzerland</b>	<b>8</b>
<b>Belgium</b>	Germany	17	France	16	Netherlands	12
<b>Bulgaria</b>	Germany	12	Turkey	9	Italy	9
<b>Czech Republic</b>	Germany	32	Slovakia	8	Poland	6
<b>Denmark</b>	Germany	18	Sweden	12	United Kingdom	8
<b>Germany</b>	France	9	United States	9	United Kingdom	7
<b>Estonia</b>	Sweden	18	Finland	15	Latvia	11
<b>Ireland</b>	United States	22	United Kingdom	15	Belgium	13
<b>Greece</b>	Turkey	12	Italy	9	Germany	7
<b>Spain</b>	France	16	Germany	10	Portugal	7
<b>France</b>	Germany	17	Belgium	7	Italy	7
<b>Croatia</b>	Italy	14	Bosnia and Herzegovina	12	Slovenia	11
<b>Italy</b>	Germany	13	France	11	United States	7
<b>Cyprus</b>	Greece	16	United Kingdom	10	Israel	5
<b>Latvia</b>	Lithuania	17	Russia	15	Estonia	11
<b>Lithuania</b>	Russia	21	Latvia	9	Poland	8
<b>Luxembourg</b>	Germany	24	France	17	Belgium	16
<b>Hungary</b>	Germany	28	Austria	6	Romania	6
<b>Malta</b>	Germany	14	Hong Kong	9	France	9
<b>Netherlands</b>	Germany	25	Belgium	13	United Kingdom	9
<b>Austria</b>	Germany	29	Italy	6	United States	6
<b>Poland</b>	Germany	26	United Kingdom	6	Czech Republic	6
<b>Portugal</b>	Spain	24	France	12	Germany	12

# ...have a bigger depreciation..

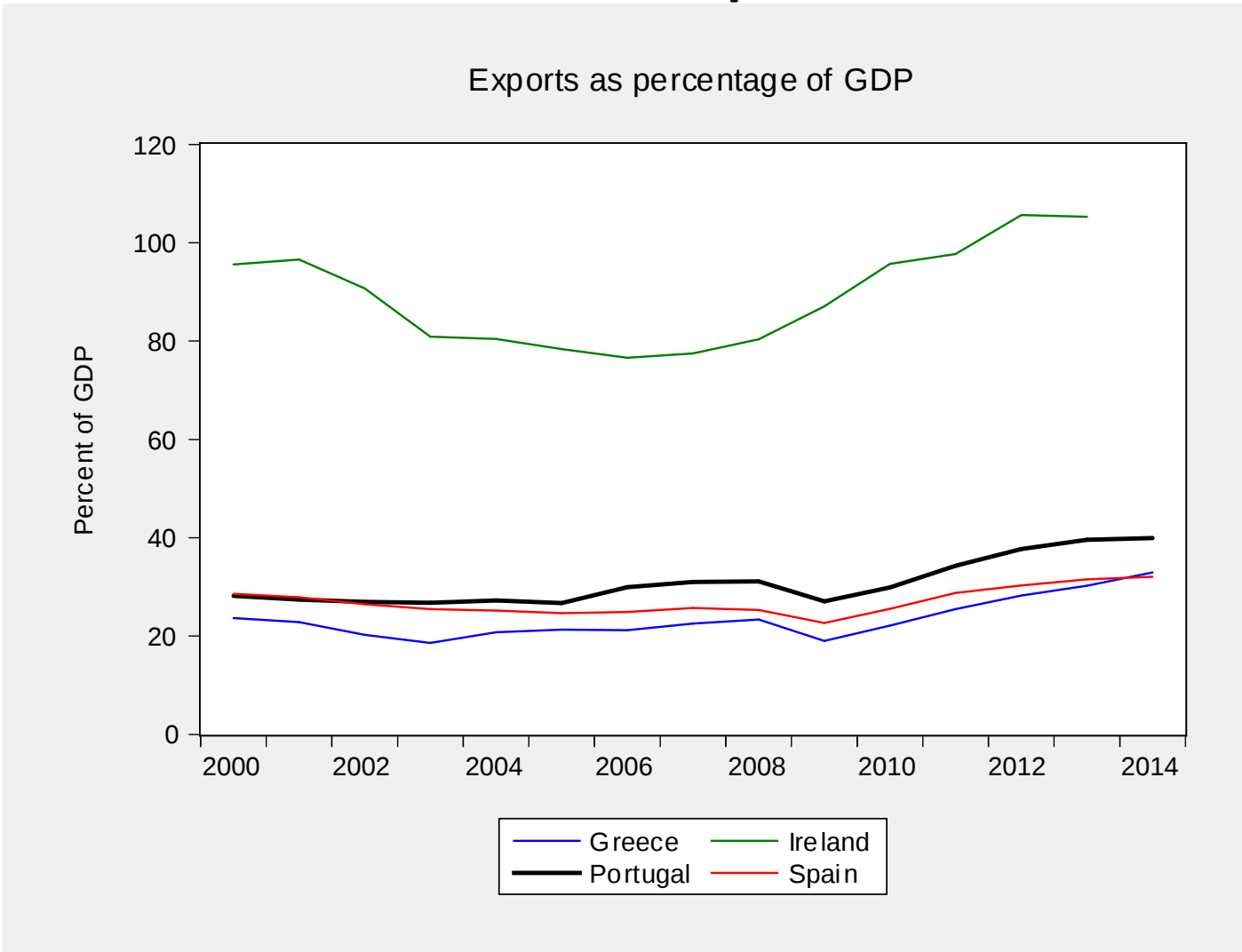




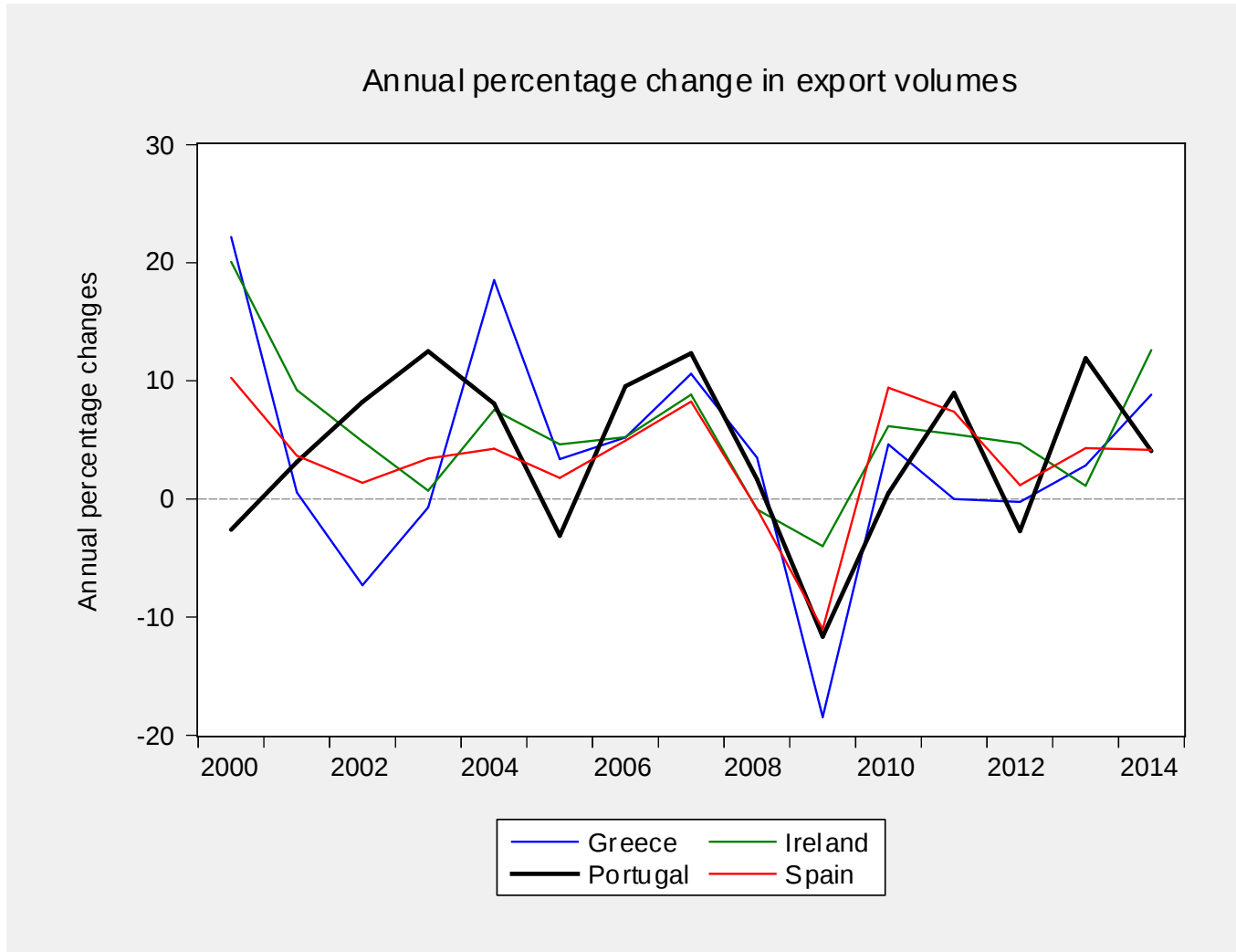
..in real as well as in nominal terms..



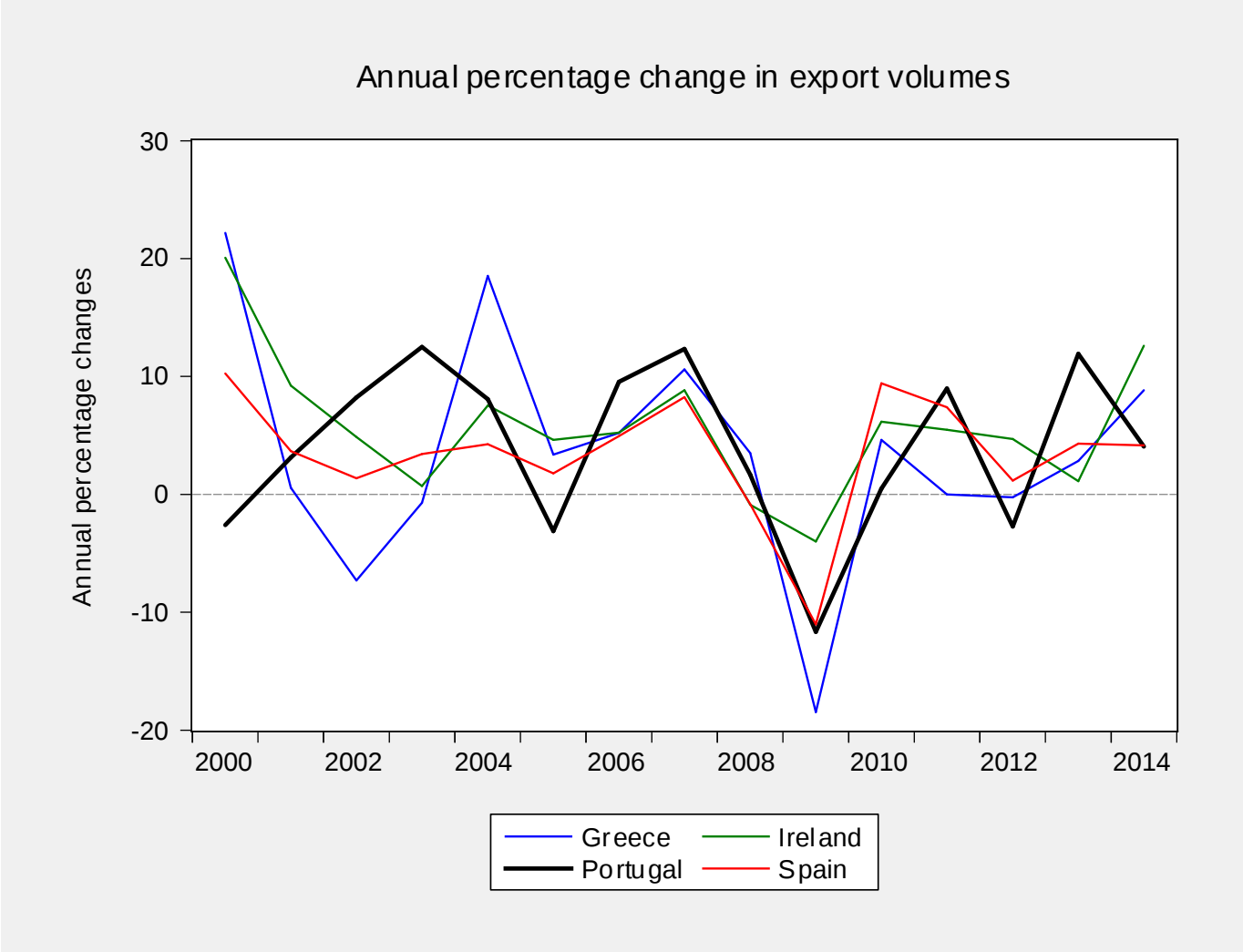
..and are *much* more open, implying lower multipliers..



..and ensuring that a given % change in exports does more for you..



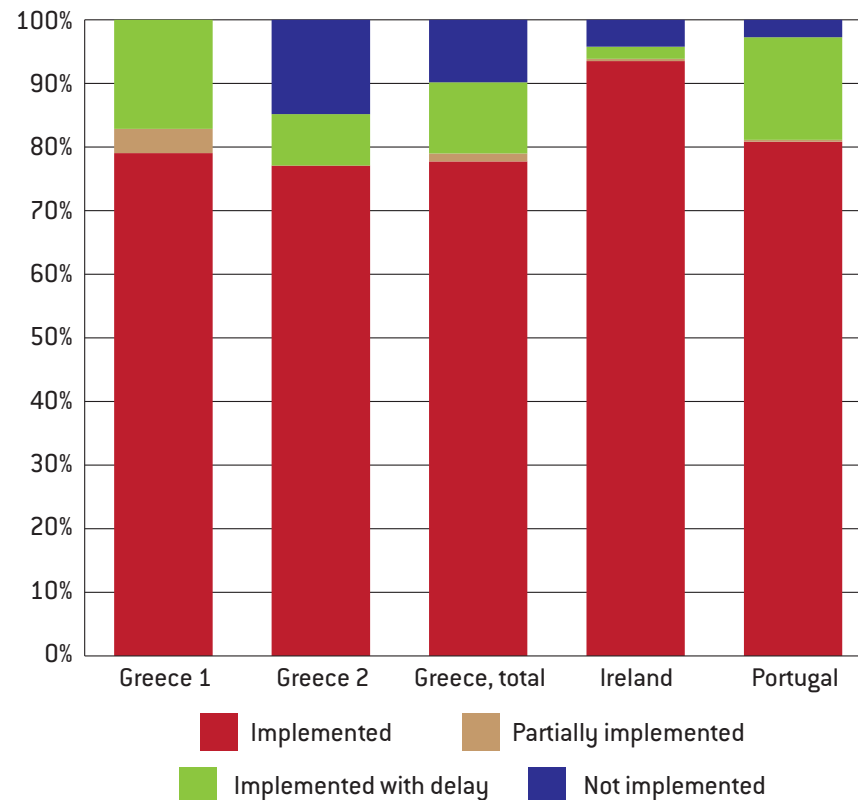
(by the way, Portugal seems to have gotten a lot of bang for each devaluation buck)



Source: World Bank

# Structural reforms: Ireland might seem the “best kid in class”..

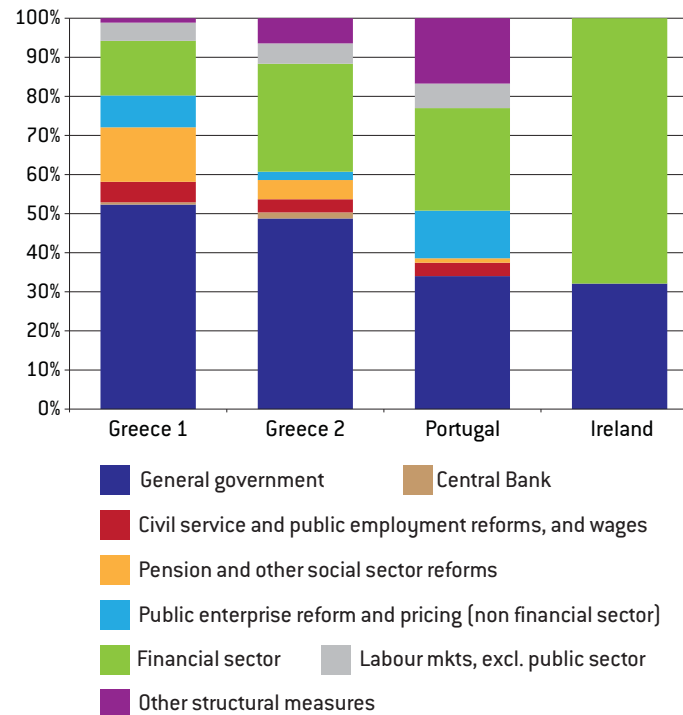
Figure 3: Breakdown of conditionality by implementation record



Source: Bruegel based on IMF MONA database.

..but some were given easier homework than others (& skipped difficult questions)..

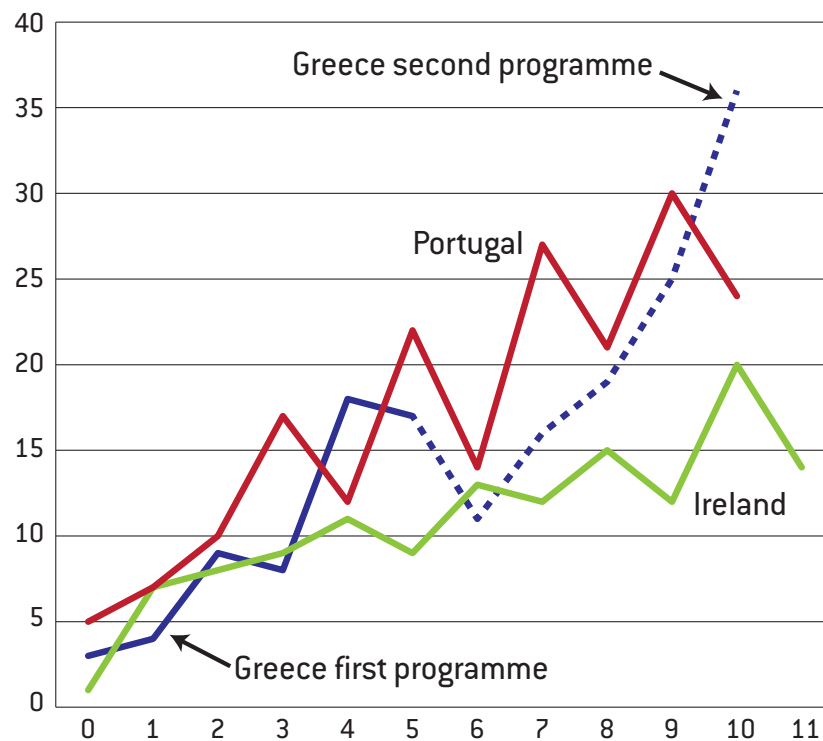
Figure 2: Conditionality by reform headings, euro-area country programmes



Source: Bruegel based on IMF MONA database. Note: categories used in the chart (eg general government, central bank) are the original headings used in the IMF's MONA database. No filtering has been done for implemented or non-implemented measures.

# ..and less homework..

Figure 4: Number of reforms implemented by each review

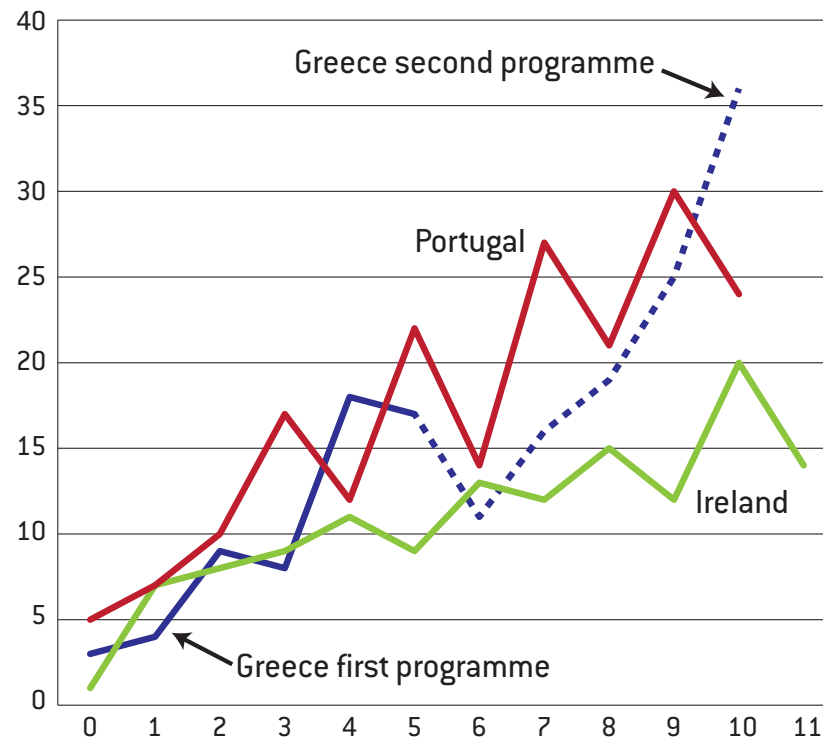


Source: Bruegel based on IMF MONA database. Note: The x-axis uses ordinal numbers to underline that each review took place at different points in time for each programme country.

# suggesting that higher Irish growth was not due to reforms

## was not due to reforms

Figure 4: Number of reforms implemented by each review



Source: Bruegel based on IMF MONA database. Note: The x-axis uses ordinal numbers to underline that each review took place at different points in time for each programme country.



# Political impact dramatic nonetheless

## First Preference Vote Intention – 2007 to 2015

*If the general election was tomorrow which party or independent candidate do you think you would give your first preference vote to? (Past vote weighted)*

(Base: All adults 18+ who will vote)

