

COUNTRY PROFILE



Ireland

GLOBAL RANK: 20th of 104



Ireland's impressive 7th place in Comparative Liveability is compromised by its 24th place in Economic Competitiveness, resulting in an overall score of 20th, a rank that nonetheless approaches that of the most successful European nations. Notably high scores include the quality of government regulation, income levels, and charitable giving.

● BACKGROUND

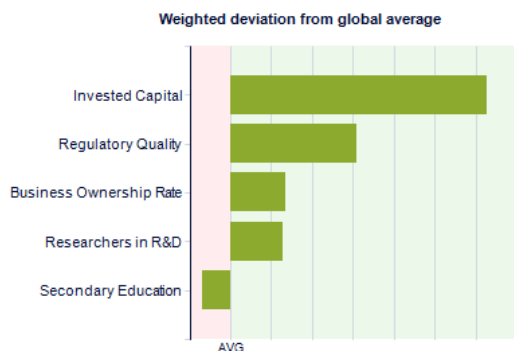
During its long economic expansion from 1990, Ireland was often known as the 'Celtic Tiger'. Its English-speaking workforce and low corporate taxes made it a favoured base for multinationals, while the economy also benefited from €40 billion in EU development grants. The economy has developed into a major centre for high-tech industries and financial services. Ireland is now facing the challenges of wealth, with a bubble in the property market, growing income disparities, and concern over the impact of large-scale economic migration from Eastern Europe. Nearly 90% of the population are Catholics, and church-going levels are high by European standards.

FAST FACTS

Population:	4.2 million (2008 est.)	FDI (net inflow):	7.14% (2006 est.)
Life Today	7.2 (2006 est.)	Exports	47.80% (2006 est.)
GDP (PPP)	\$186.2 billion (2007 est.)	Imports	38.14% (2006 est.)
GDP (Growth)	5.3% (2007 est.)	Unemployment:	4.6% (2007 est.)
GDP (per Capita)	\$43,100 (2007 est.)	Life Expectancy	78.07 years (2008 est.)
Political System:	Republic, Parliamentary Democracy		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

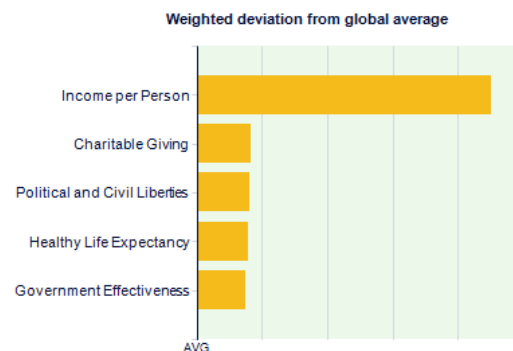
ECONOMIC COMPETITIVENESS



For over a decade, Ireland's economy grew at an average of 6% per year as foreign investment flooded into the newly liberalised, trade-oriented state. While economic and financial fundamentals remain steady, the rate of growth now looks set to slow significantly. Falling productivity, the low levels of female participation in the labour force and a comprehensive property tax system are acting as a brake on Ireland's continued growth. Nevertheless, Ireland remains strong in terms of capital investment per worker, as well as on governance indicators, and the business ownership rate is similarly positive. This last indicator suggests a vibrant entrepreneurial culture, unusual for a high-income European country.

Analysts point to the recent cooling of the housing and construction

COMPARATIVE LIVEABILITY



Ireland ranks seventh in the Comparative Liveability index, behind several Scandinavian countries and Switzerland. Per capita income is an impressive \$36,238, a fifth higher than that of the UK, France and Germany, and second in the Eurozone behind Norway. Effective governance provides a strong basis for satisfaction, combined with a high quality of democracy.

Strong family bonds occupy a central role in Irish society and underpin the sense of personal wellbeing for many of its approximately four million inhabitants. Relatively high participation in the community and religious life add to feelings of social cohesiveness, with 65%⁹ of people giving to charity, according to the Gallup World Poll. Despite increased urbanisation over the last

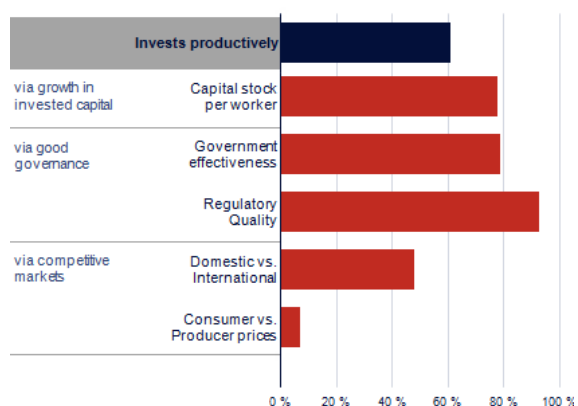
markets, both key indicators of the country's economic fortunes, as a concern. Furthermore, movements in relative price ratios suggest that levels of competition in domestic markets may have been neglected in Ireland's surge towards global competitiveness.

Foreign investment in Ireland has borne the brunt of competition from Asia and Central Europe. However, Ireland remains very open to trade, hosting a large number of foreign multinational manufacturers, particularly in the chemicals and technology industries. These firms are attracted by an innovative and educated workforce, as exemplified by the high number of researchers working in R&D. The government hopes that a €10 billion plan to improve infrastructure will help win back flagging investment dollars.

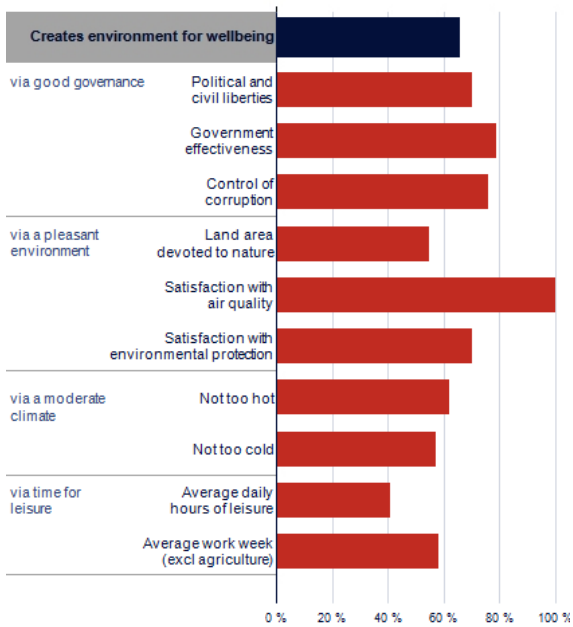
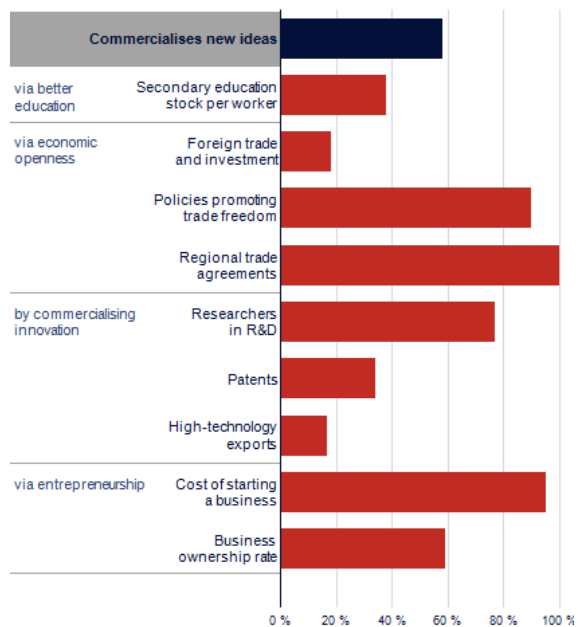
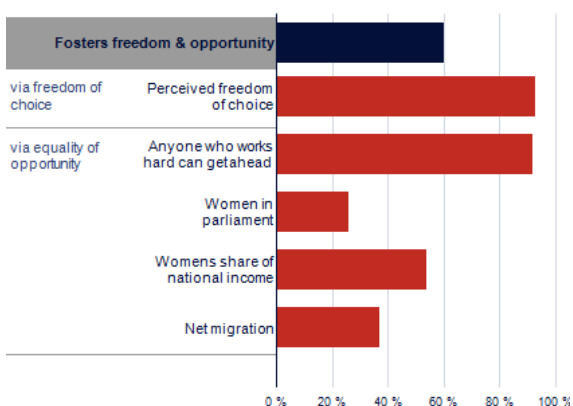
decade, Ireland remains a predominantly rural country. Levels of environmental protection are high by European standards, and 95% of people report satisfaction with the air quality.

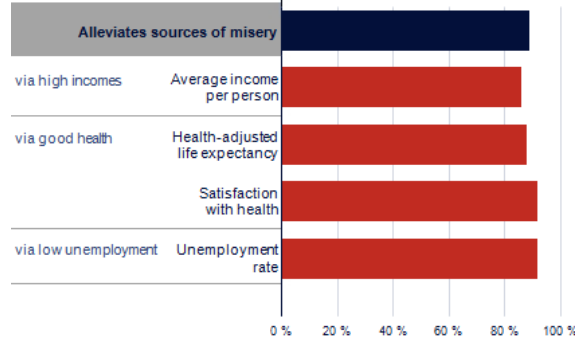
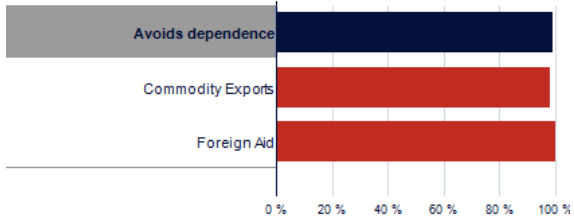
The Irish also report higher satisfaction with their personal health (90%⁹) than any other EU country except Austria, and enjoy a health-adjusted life expectancy of 69.8 years. Despite these good scores, other indicators suggest that many health services remain below average for Western Europe. One area where Ireland's performance significantly lags compared to its peers at the top of the Index is gender equity, suggesting a relative weakness in equality of opportunity. Female participation in parliament, for example, is the lowest in Europe. Income shows a similar gender bias, with female earnings only 53% of those of men.

ECONOMIC COMPETITIVENESS: SCORECARD

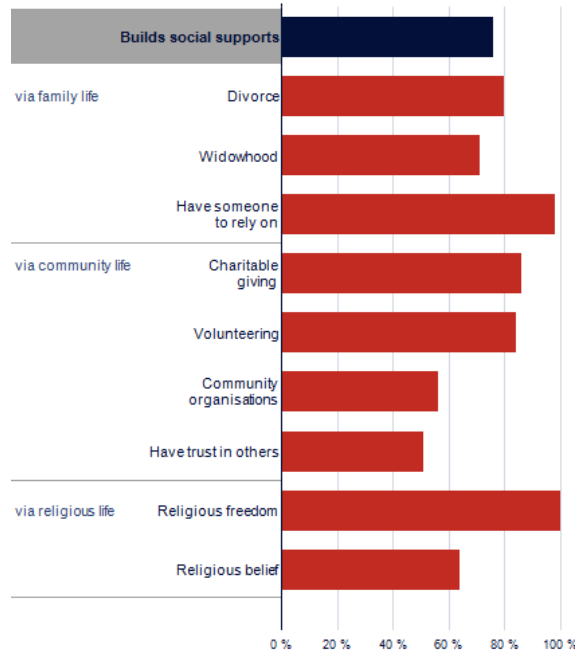


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.