

Title: Matching Standards of Living with Quality of Life Concerns for a Transition Economy: The Case of Ireland

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Abstract

The spectacular output growth in the Irish economy over the last decade has brought substantial tangible benefits in terms of higher living standards as measured by any conventional economic metric. The pace and extent of the transformation of the Irish economy, however, has brought with it a widespread re-evaluation of the consequences for quality of life concerns in terms of reduced leisure time, decline in voluntary community-oriented activities, increased congestion costs, environmental degradation along perceived deterioration in both the quality and provision of services. This conflict can be framed in a distinction between growth, with its emphasis on quantitative increase, and development, with its emphasis on qualitative improvement. The Irish experience is used to explore the tensions between the desires for high growth with the professed objective of sustainable development and to suggest interventions to match the quality of life concerns with higher living standards.

The paper looks at different metrics to evaluate the sustainability of the growth process being pursued in Ireland with its export-focused international tradable services and high valued manufacturing activities. The metric chosen is based on to notion of “genuine” savings that extends the green national accounts operated by the World Bank to incorporate a wider set of parameters capturing quality of life aspects. On this basis price and values may be closer aligned, increasing the likelihood of greater coherence between standards of living and quality of life issues. It is also argued that Ireland makes for an important case study for the development of the EU enlargement countries given that most have a similar small scale and peripheral locations from the core.