

## "Bad Policy-making was Behind Our Economic Decline"

Many people have sought to explain how Ireland moved so quickly from being Europe's most successful economy to being the EU economy in deepest recession.

As we reflect on how we got here, one factor is that despite the rhetoric of "evidence-based policy", the reality is that policy-making in the past decade was too often based more on a cross-over of 'vested-interests' and 'anecdotes' than on evidence, analysis or rational argument. This contrasted with the previous decade, when a strong culture of evidence-based evaluation prevailed, driven by EU requirements for co-financing. That culture declined with the reduced role of the EU structural funds, combined with money that was pouring into the public coffers and an emerging public expenditure mantra: '*when I have it, I spend it*'.

It is ironic that the very large gap between rhetoric and reality on evidence-based policy occurred when another dominant mantra was Ireland's goal to become '*a knowledge society and economy*'. While this focus on the knowledge economy was used as a rationale for expanding numbers in higher education and increasing expenditure on public research and development, unfortunately the belief in the importance of knowledge was far less apparent when it came to the formulation, design and implementation of public policy, including policies intended to advance the knowledge economy itself.

Policy is not just about how *much* money is spent, it is also about how *precisely* that money is spent. There is a need to look afresh at policies across a number of areas in the light of what the evidence says. For example, in the case of higher education and research, the work of the *Higher Education Strategy Group* and the *Innovation Task Force* will provide an opportunity to review policies and how, based on the available evidence, they might be changed.

It is particularly important to design future policies based on evidence, rather than repeat the mistakes of the last decade in the opposite direction, with a '*when I don't have it, I just cut it*' approach. Such a broad-brush strategy is dangerous, in that it treats all elements of public expenditure as if they were equally productive or wasteful, justifying equal cuts across the board.

Real harm may be done if public policy or public spending choices in tight financial conditions ignore the evidence. For example, decisions in relation to any changes in social welfare payments need to take account of the very different rates of inflation faced by major sub-groups. In looking at waste policy, we need to provide the optimal number of optimally-sized waste treatment plants, and not fritter resources on a large number of small, inefficient plants. Our sports policy needs to be refocused to address the fact that lack of facilities is not the biggest barrier for people wanting to take more exercise and consequently enjoy healthier life-styles. And so on.

When public funds are scarce, it is of utmost importance they are used wisely. There are some grounds for optimism that in these difficult times a more evidence-based, analytical and forensic approach to budgetary policy is being adopted. A good example is the value for money and policy review underway of disability services. Such a change in policy formulation would be a welcome silver lining in our current cloud.

At this time of national crisis, there is a great deal of soul-searching and public debate. The public is more engaged than ever, as the opinion polls confirm, in what is happening in the news and in the wider economy. This is another silver lining - a more informed and open public debate. While consensus is valuable, we now see the negative consequences of having had a prolonged 'consensus at any cost' approach. We need to be more comfortable with differences of viewpoint and approach. We need to hear alternative voices, and think outside of received opinions. If we reflect on alternatives and review the best available evidence, we can then make decisions that best serve our long-term interests.

A more structured public debate across media (old and new), public debates and lectures, for example hosted around Ireland by higher education institutions and professional bodies, could generate real discussion and engagement on policy options and create a more positive environment for dealing with the challenges we face. It might also help to reduce the power of the ultimate jibe in Irish political and policy circles, namely, that a person or an argument is 'too intellectual'.

However, if we are to get value from more open and informed debates and discussions, it is important that we raise the level of debate and not simply create a new spectator sport based on anecdotes articulated by extremes on both sides in emotionally charged fora. Far from giving us insight into our current problems and potential solutions to the challenges we face, these occasions can be self-serving for the organisers and may reduce rather than increase national morale. Complex problems require more than one-line answers, and we need fora for national debate where people can develop ideas and have them considered in more depth.

It is timely to look at the extent to which the news media serve us well, fulfilling the role of both providing information and facilitating measured and reasoned debate. As a public service broadcaster, the primary role of RTÉ's news and public affairs programmes should be to ensure that civil society is better informed. The easy entertainment value and high viewership of a 'good row' should not be the primary consideration in debating public policy choices.