

Economics and Evaluation: Capacity and commitment?

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Central Expenditure section
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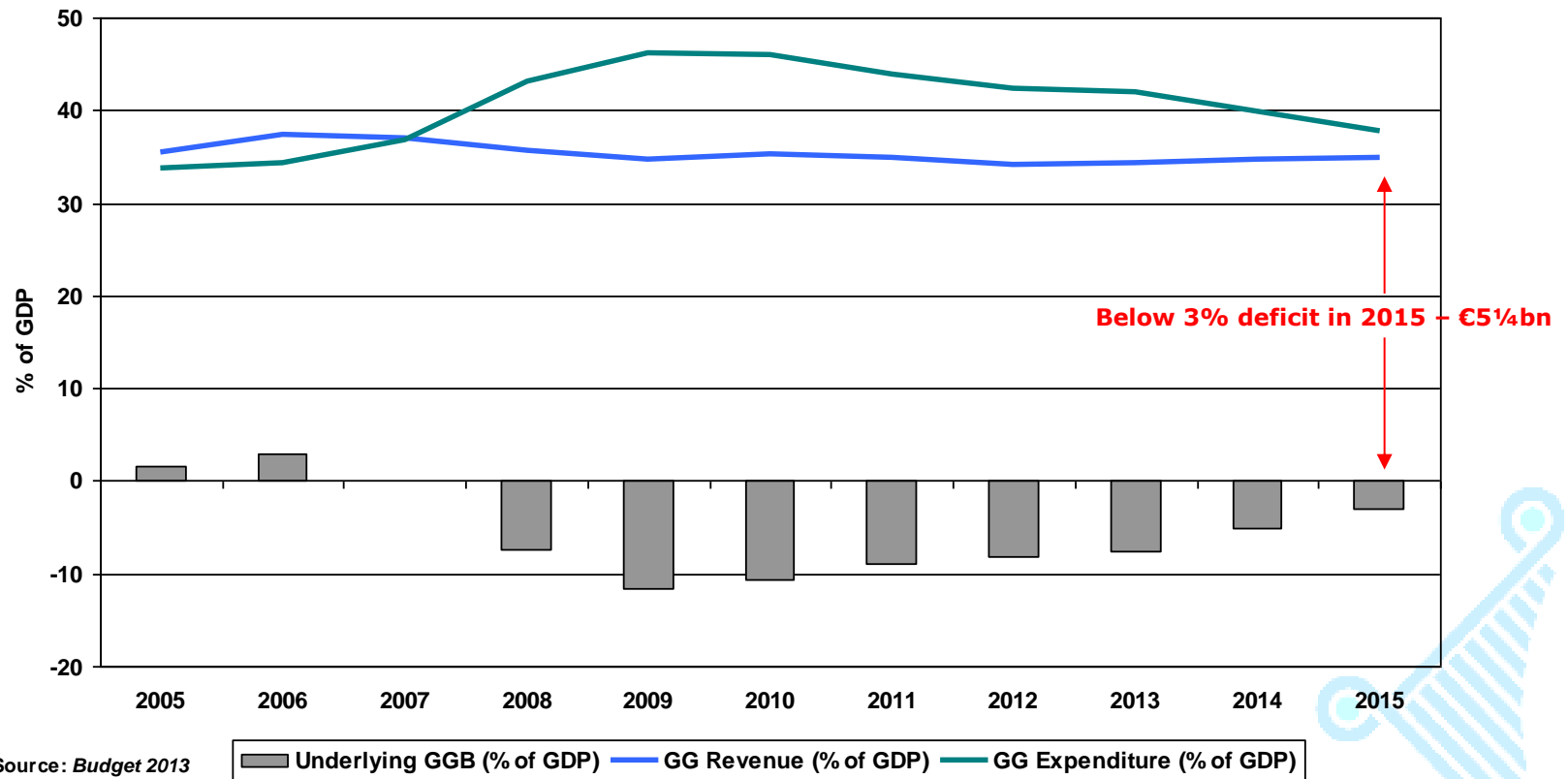
Conference on Irish Economic Policy
1 February 2013

Outline of Presentation

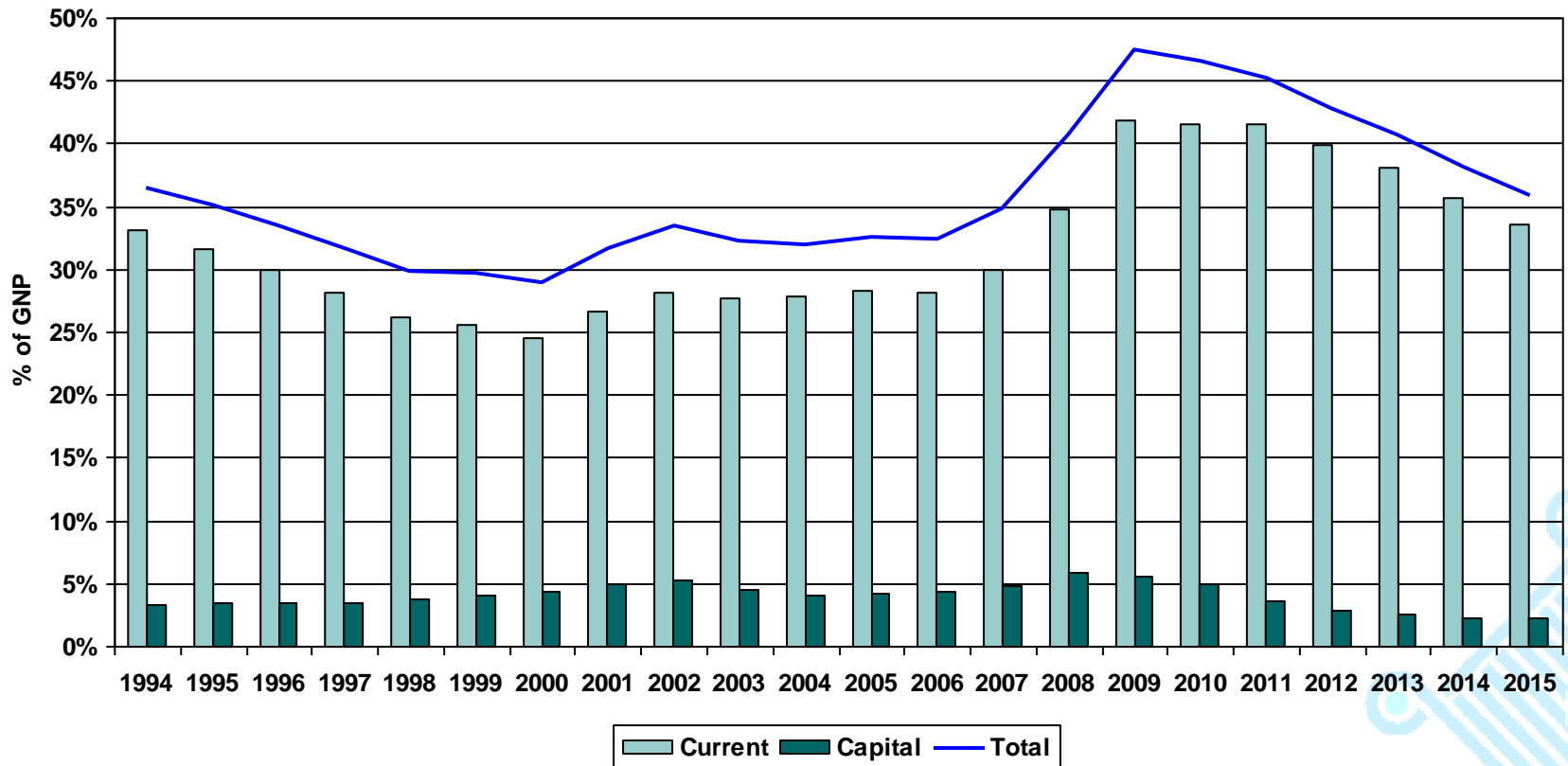
- Public finances – background
- Political commitment?
- A place in the budgetary framework?
- Building Capacity – and Culture
- Success tests?



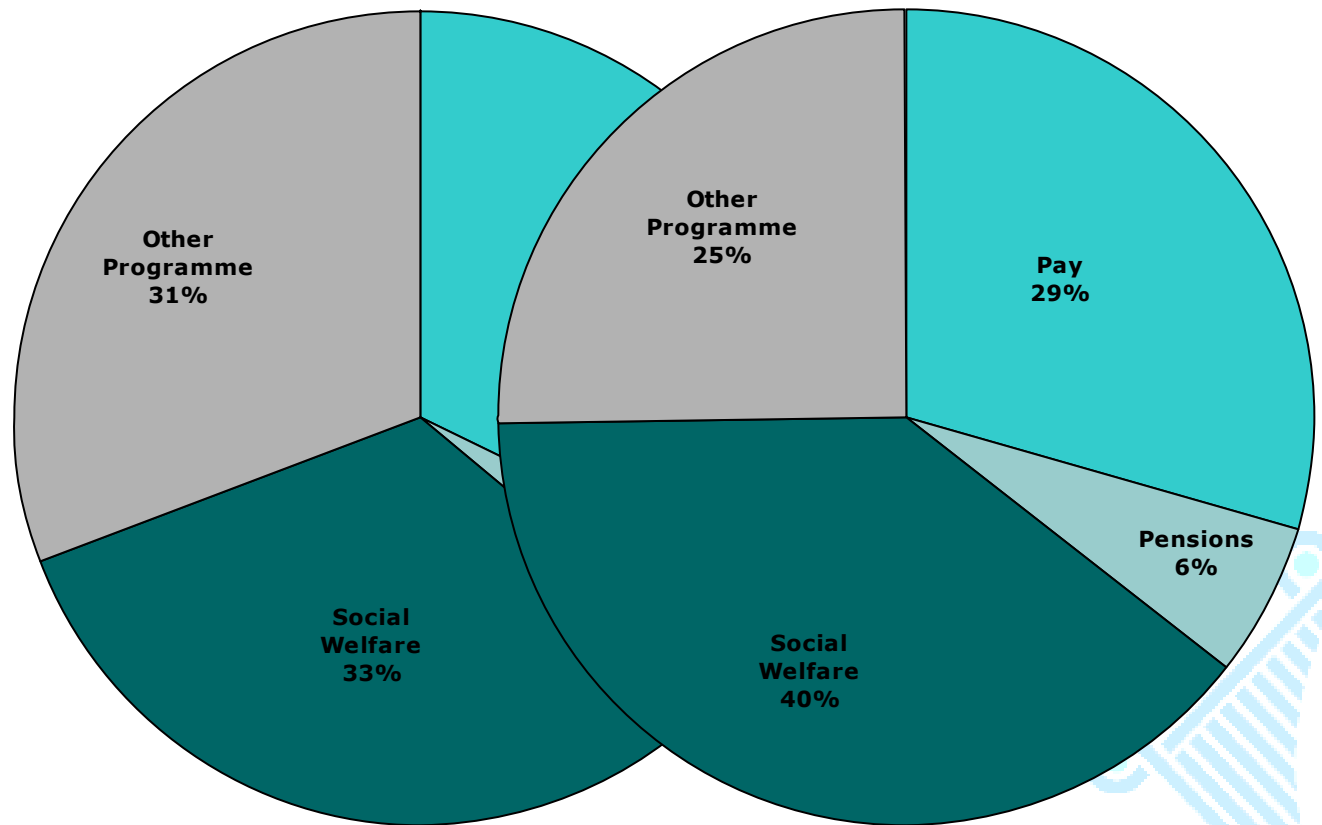
Path of the Public Finances to 2015



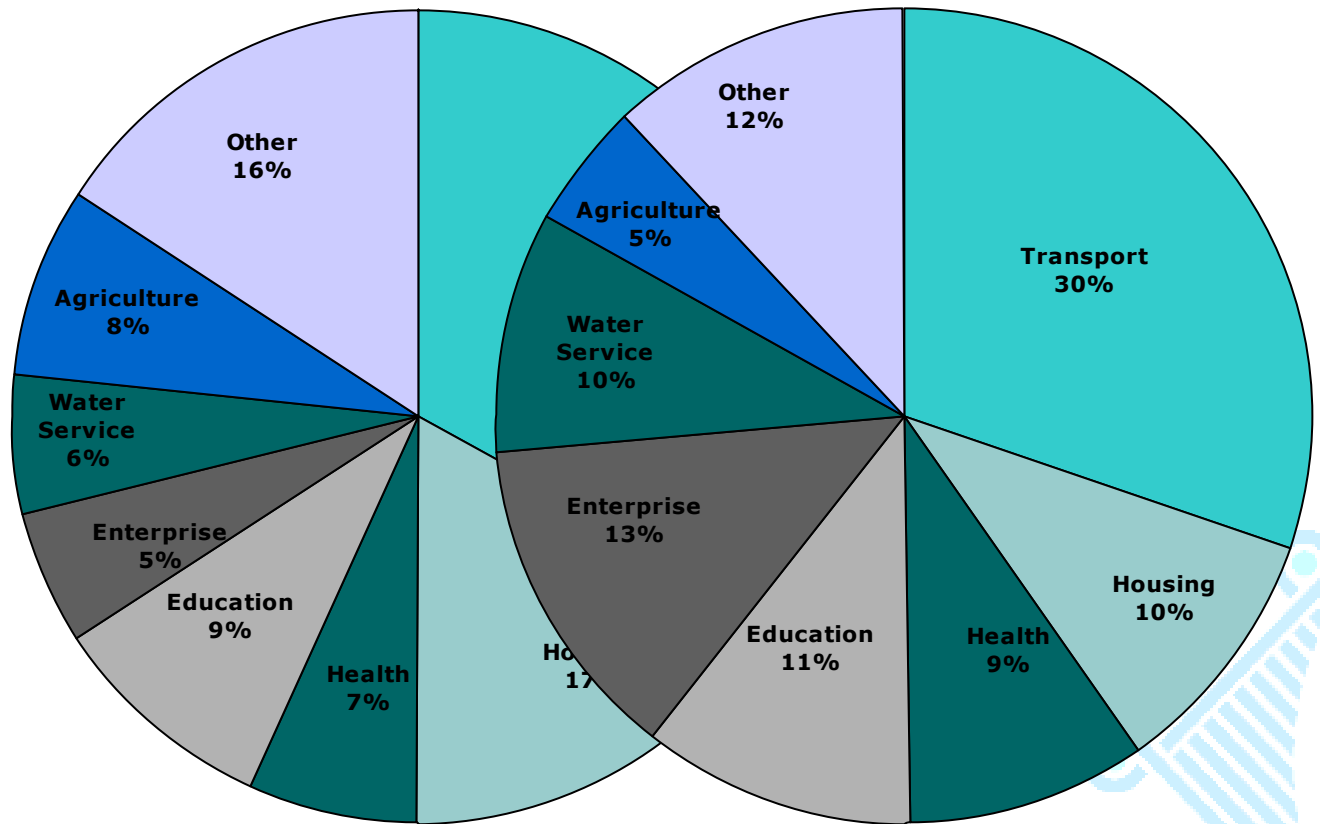
Expenditure growth from 1994...



Composition of Current Spend 2008 -2012



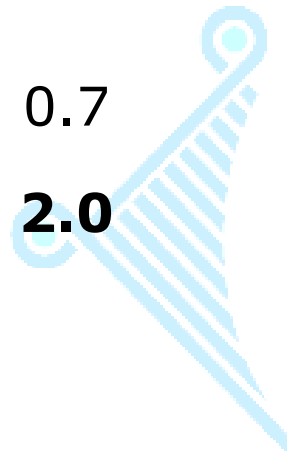
Composition of Capital Spend 2008 -2012



Further consolidation ahead....

as per MTFS

	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Current	1.4	1.7	1.9	1.3
Capital	0.76	0.55	0.1	-
Total Expenditure	2.16	2.25	2.0	1.3
Revenue	1.6	1.25	1.1	0.7
Total Consolidation	3.8	3.5	3.1	2.0



Budgetary priorities

- Deliver multi-annual targets
- Smaller spend:
 - Improve targeting and quality
- Requires:
 - economic insight and analysis (micro)
 - Evaluation capacity that incorporates this insight
 - Political / admin weighing of options
- Alternative approach:
 - Across-the-board cuts, muddle-through, and hope



Political commitment? PfG 2011

- publish CBA of major capital projects & tax expenditures before Govt approval
- Conduct a Comprehensive Spending Review “on Canadian model”
- Open budget process to “full glare of public scrutiny” – Depts bid for resources
- Multi-annual budget planning
- Performance indicators: outcome-focused
- New stronger role for Oireachtas committees



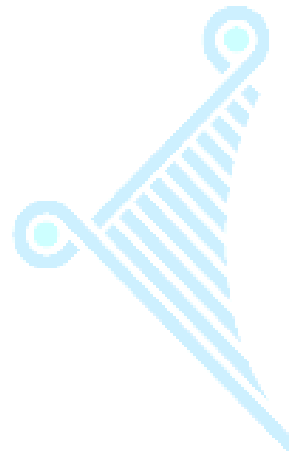
Implementation to date?

- CRE was conducted successfully in 2011
 - Building on earlier exercises incl. “Bord Snip”
- “Canadian approach” – move to ongoing evaluation
 - Public Spending Code – maintain momentum
 - Appraisal of capital and current spending
 - Analytical outputs in budget documentation: tax-side and spending-side
- No major capital CBAs published yet
- Range of fundamental budgetary reforms



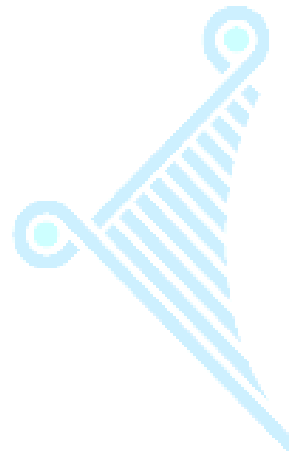
Budgetary reforms

- Medium-term expenditure framework
 - 3-year spending ceilings
 - applied successfully in 2013 Estimates
 - Integrated with VFM / evaluation agenda
- Performance budgeting
 - Inputs, outputs, outcomes presented together
 - Public dimension
- Oireachtas engagement
 - “whole of year” budgeting - opportunity
 - Initial take-up in autumn 2012



“Culture” issues

- Old Expenditure Reviews, VFM Reviews
 - Little or no impact on spending decisions
 - Weak admin and political demand, culture of apathy
- New Public Spending Code?
 - Potential for greater impact
 - An integrated rather than ad hoc / standalone approach
 - Ongoing budgetary ‘revolution’: opportunity for culture shift




Capacity issues

- Irish Govt Economic & Evaluation Service (IGEES) – established in 2011
- Wave of economic recruits: applied on Govt work programmes
 - Capital investment
 - Climate change
 - Programme review
 - Focused Policy Assessments
 - PS Reform agenda – applied analysis
 - New CRE in 2013?
- IGEES needs to be integrated into functions of each Dept – not an extraneous bolt-on



Success indicators?

- Publication of independent analyses
 - Routine presentation of challenging findings
 - Not as “shock factor” but as normal and expected part of political, administrative, public discourse
 - Economic & Evaluation Unit within each Dept
 - Stronger engagement with broader economic community
 - Mobility / secondment arrangements
 - Coordination of CPD with academic offerings
 - Creative and innovative analytical approaches
 - Data sourcing and analysis
 - Behavioural economics
 - Socio-economics and impact / distributional analysis
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You can help!

- Mentors
- Peer reviewers
- Shared education / training modules
- Secondment opportunities
- Academic outputs: standard policy / practical dimension?
- Critical but fair engagement

