# Comments on "The Irish Crisis and the EU from a Distance" by Barry Eichengreen

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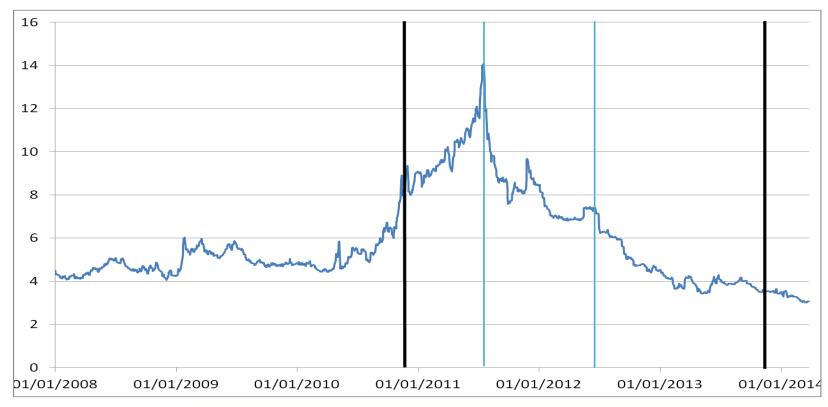
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# "If you are not a part of the solution, you are a part of the problem."

#### — Eldridge Cleaver



Irish Government Long-Term Bond Yields (%)



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### Effects of European policies on Ireland's market access

- Contributed to loss of market access:
  - Inadequate external surveillance.
  - Blanket Guarantee made in Dublin not Brussels/Frankfurt, but where were EU-wide resolution mechanisms?
  - Double-dip recession in the euro area.
  - Deauville agreement.
  - Signals of ECB's discomfort with growing ELA.
  - Bailout of senior bondholders.



## Fiscal stance during the boom

		20 Seen then S	06 een now		007 Seen now
	Output gap	0.4		0.2	
	Structural Budget	2.7		0.7	



## Benefits of hindsight

		2006Seen thenSeen now		2007Seen thenSeen now	
	Output gap	0.4	3.3	0.2	6.5
	Structural Budget	2.7	-4.2	0.7	-8.7



#### Effects of European policies on Ireland's market access

- Contributed to regaining market access.
  - "The EFSF lending rates and maturities we agreed upon for Greece will be applied also for Portugal and Ireland."
    - EU Council Statement, July 2011
  - OMT.
  - Promissory note deal.
  - Banking Union.



# Thank you for your attention



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