



Northern Ireland
Assembly

Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

Oral Briefing from Northern Ireland Council for
Voluntary Action: Economic Data Northern
Ireland Report

18 September 2014

NORTHERN IRELAND ASSEMBLY

Committee for Enterprise, Trade and Investment

Oral Briefing from NICVA: Economic Data Northern Ireland Report

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Members present for all or part of the proceedings:

Mr Patsy McGlone (Chairperson)
Mr Phil Flanagan (Deputy Chairperson)
Mr Steven Agnew
Mr Sydney Anderson
Mr Sammy Douglas
Mr Gordon Dunne
Ms Megan Fearon
Mr Paul Frew
Mr Danny Kinahan
Mr Fearghal McKinney
Mr Mitchel McLaughlin

Witnesses:

Mr Michael Burke	Consultant
Mr Seamus McAleavey	Northern Ireland Council for Voluntary Action

The Chairperson: Before the Committee today are Mr Seamus McAleavey, chief executive of Northern Ireland Council for Voluntary Action (NICVA); and Mr Michael Burke, who is an economic consultant and author of the report. You are both very welcome. Thank you for giving up your time to be with us. Members will have read the report, and I presume you will make some opening remarks, Seamus, before we have a question and answer session.

Mr Seamus McAleavey (Northern Ireland Council for Voluntary Action): Thank you very much, Chair, and thank you for the invitation to come along here today. We are delighted to do so. I have only a few opening remarks, which is just to set the report in context.

As members will be aware, NICVA has been engaged in a variety of research on economic issues. The main focus for us is to try and find evidence that might point us in the direction to find ways to improve the economic outlook in Northern Ireland. We in NICVA have a strong interest in that.

We have produced a series of reports and this is another one. We thought that it would be very useful to look at the situation with regard to the data that we gather in Northern Ireland. If we are at 2.7% or thereabouts of the UK population, then, clearly, in UK terms, we fall within the bounds of the margin for error. We want to look at how much information we have locally so that Government can make the best possible choices around the risks that it might take.

I will hand over to Michael for some comments.

Mr Michael Burke: Thanks, Seamus, and thanks, Chair and members of the Committee for inviting me. I will speak about one of the few topics that are widely regarded as less interesting than economics, which is statistics. I will be speaking about them both and therefore thank the Committee for its patience in advance. I think that these are very important issues.

I believe that it was Alan Greenspan, former chairman of the Federal Reserve in America, who said that the formulation of all economic policy — and he was referring to monetary policy, but it is true for all economic policy — was like trying to drive a car through the rear-view mirror; that is, you have to rely on information about events that had already taken place. The difficulty that one has in formulating economic policy if the data is incomplete, patchy or unreliable is that you are driving a car through the rear view mirror while some of the windows are blacked out. I believe that to be the case with Northern Ireland economic data at present.

The report is broken down into three sections, one of which deals with the difficulties and problems with real economic data, in other words economic activity, GDP, industrial production, retail sales and all the rest of it. It deals with all of that type of economic data. The second section deals with the problems of data relating to government finances, which is revenues and expenditure of government. Of course, those two are related, given that government is the biggest single actor in any advanced economy. There are then some recommendations for how that might be improved. There is practice in the European Union where economies of similar size to this one have much more developed levels of economic data, and, in my view, the best model of all to be adopted is the one that is adopted by the Scottish Government.

The Chairperson: Thanks very much for that. I read your report last night, and I have to compliment you individually on your work in highlighting this issue. You stopped at the point at which I was going to take over, and that is the question of what you do about this and what type of model you use. Can you give us some elaboration on the Scottish model to explain what it does and how it helps a situation where, from reading your report, you are anticipating that, on economic data and development of the economy, we are potentially stabbing in the dark or stabbing in wherever? What is the Scottish model, how long has it been in place and how is it delivering as opposed to how, potentially, we are not delivering here?

Mr Burke: That is a very detailed question in a number of parts. I will deal with what I understand to be the two key questions. First is the question of why it is important and second is that of why the Scottish model is better and in what way. Why is it important? In the oral presentation and as far as possible in the written report, I have tried to "dejargonise" some of this. That is very difficult of course because it is replete with jargon, and there is an appendix in the back that, I hope, helps to deal with some of that. To take one key example, there are no input/output tables for this economy in the North, and that is quite important. It is a bit arcane, but, if someone unnamed were to tell this Committee that you have a cheque for £100 million that you can spend on economic development as you choose, as things currently stand, without proper GDP and input/output tables, you would not, with the best will in the world, know how best to spend that. You might have good ideas, and you might have great intuition, but you have no economic data on which to base that. An input/output table, for example, allows you to see in advance that, if you pull a certain lever here, you get certain other things happening over there. You see the interrelationships in the various sectors of the economy. If you do not have that, you cannot see it. That is why the data itself is important.

The Scottish Government have provided Scotland with its own GDP data, which is not available here. They have provided Scotland with its own input/output tables, which are not available here. They have provided a panoply of supplementary and subsidiary economic data so that it is possible to understand how the economy works. It does not provide a magic wand on economic policy making, but at least you have an idea of what is happening. That has been in place for, I think, four or more years, and it really is a very good template with which to work in formulating economic policy.

The Chairperson: It is a good template, but what is the analysis on its outcome now as opposed to before? Maybe you do not know at this time.

Mr Burke: The elected representatives in Scotland understand that, if they spend X amount of money on Y sector, there will be a given economic outcome, and they can monitor that. They can see that if we spend £100 million on developing airports, for example, it would have a certain impact on the transport sector, the engineering sector, the high-tech sector and so on because they have got the economic data to do so. They do that. They produce a myriad of reports, because the data are the essential building blocks for all economic analysis. Prior to that, it was guesswork. It was one-off

reports, which were very costly. People often talk about the cost of providing economic data to that high level, and there is a cost — there is no getting away from that — but, absent that, you have a series of ad hoc, one-off reports, often, with the best will in the world, done by very highly paid private sector consultants who, themselves, cannot rely on good economic data in the formulation of their recommendations. They are as much in the dark as anyone. They just make more informed guesses.

The Chairperson: OK; thanks for that. It will probably be given an added impetus depending on the outcome over in Scotland today, but then there are the implications of corporation tax for the North here. Everybody is teasing that out and thinking about that one. How would the presence of finely tuned, informed economic data such as the model that you are referring to assist with the potential benefits — it is arguable one way or another — of corporation tax being reduced?

Mr Burke: That is a very good question, because it is quite extraordinary that here there is, I know, quite a long and sometimes heated discussion about corporation tax, whether it should be a devolved matter and, if so, what should be done with it — higher, lower, or something else. If you look at things like the Treasury report 'Rebalancing the Northern Ireland Economy' — the Treasury is the primary source of all of the data we have for public finances — nowhere does it properly state what revenues from corporation tax are generated here.

What we know on the basis of reports done so far is that corporation tax is allocated to the North on the basis of what is received centrally at Westminster, but we have the very strange anomaly that 2.1% of all national insurance contributions for the UK as a whole are from the North, but only 1.4% of the corporation taxes are. It is very odd. There is a reason for that. It is because corporation taxes are paid by postcode, so very large companies operating here pay their corporation tax based on where they are based. It may be London, Manchester, Liverpool or anywhere. That is the basis on which the corporation tax revenues are allocated, so we have a long and sometimes heated debate about what to do about corporation tax, but, as matters stand, we do not actually know what the level of corporation tax raised in this economy actually is. So, my first plea is that we should find out what we are talking about before we talk about it.

Mr McAleavey: The last time that NICVA presented to this Committee it was on the report that we had done on fiscal powers, which the chief economist in PricewaterhouseCoopers, Esmond Birnie, carried out for us. We saw a strong link between the discussion on fiscal powers and the issue of data. What came out of that was trying to understand from the data what it may be best to do. Obviously, we did some work looking at a range of fiscal powers and trying to figure out or at least produce some evidence to show which might be to our benefit to devolve. That is what drove this report. You need to have the data to be able to make some of the judgements.

The Chairperson: OK; thanks for that.

Mr Flanagan: Thanks for the presentation. It is a very useful report. What impact does not having good quality data have on the local economy?

Mr Burke: As I mentioned earlier, there are two effects. One is that when it comes to economic policymaking you are pretty much flying blind; you do not know. You can make a stab at it, obviously; there are ways in which one might provide survey evidence and so on post fact and you might do decent guesswork prior to the fact. However, the reality is that without the economic data you cannot possibly know what is really happening in the economy and you cannot possibly know what the impact of various policy decisions are.

I should add at that point that there is a subsidiary but very important negative effect arising from the absence of proper fiscal data, which is that, as I said earlier, the government in any advanced economy is the biggest single actor. The private sector is generally bigger as a whole, but the government is the biggest single actor. If you do not know what a government's revenues and expenditures are in the economy, you do not know what is happening from the biggest single actor in the economy. It is all tied together; you need proper economic and fiscal data before you can know what is happening in the economy and what you should do about economic policy.

Mr Flanagan: You have referenced information on corporation tax and National Insurance contributions and you have also mentioned an input/output [*Inaudible.*] What is the most significant weakness in economic data here?

Mr Burke: Those are two, and to them I would add the absence of gross domestic product (GDP) data, GDP being the all-embracing, all-encompassing measure of what is going on. However, it is not just a measure. Going by my friendly discussions with officialdom, they seem to be of the view that if you have things such as the Northern Ireland composite economic index and it comes out as broadly the same thing as what one guesstimates as GDP that is good enough, but it is not, because you do not know the composition. If consumption is soaring away but investment is declining, that is going to lead you into a big problem. Because the two measures look to be equal does not make either of them valid. A pint of beer is not equal to a pint of water or a pint of oil; there is a very different composition and they do very different things.

If the data that we have so far, such as the Northern Ireland composite economic index, is true and if what it is showing is correct, then this economy is on a par with Greece in terms of how disastrous the current crisis is. I do not believe that to be the case; the crisis has had a very negative impact but I do not believe that it is the same quantum of crisis. Therefore, it calls into question the entire usefulness of things such as the Northern Ireland composite economic index.

Mr Flanagan: An awful lot of people come here and present problems, but we are looking for solutions. How do you propose we address that and what impact would this have on the local economy?

Mr Burke: If you spend to invest and if you invest in proper economic data, you will be able to understand, first, what is happening in the economy and, secondly, what is the most cost effective and efficient way of improving it. The purpose of economic policy is or ought to be the sustainable increase in the living standards of the population. If you do not properly know what the living standards of the population are, or what is affecting them and how they are evolving over time, then you cannot possibly do that. There is a cost in terms of raising proper economic data, but there are agencies to do that with. They exist already; the wheel does not have to be invented, it just has to be smoothed a bit. The Office for National Statistics (ONS) already gathers data, and just a little bit more money spent on using agencies such as that could provide proper economic data on which policymakers and others could rely.

Mr Flanagan: So, it is not about getting people to sit in dark rooms for 12 hours a day looking through books of numbers and more information; it is about giving policymakers and elected representatives better information on which to make decisions that will change economic development here.

Mr Burke: In my view, that is the ultimate purpose of providing economic data.

Mr Flanagan: Do you have any suggestions as to how we can enhance local economic data?

Mr Burke: I would campaign for, or argue for — or Committee members could lobby for — significant additional resources to be provided to the statistical agencies so that they can provide proper economic data for this economy. That would be my recommendation.

Mr Flanagan: What response on that have you been getting from the Department with responsibility for the economy?

Mr Burke: My only dialogue with the Department was at a round-table meeting organised by NICVA, and I felt that that was constructive.

Mr Flanagan: Seamus, has it come at it since?

Mr McAleavey: I can add to that. We kept close to NISRA on this and share Michael's graphs. It is interesting that NISRA, during that dialogue and discussion, has told us that it is working on a number of these things. So it recognises the issues and says that it is beginning to look at how it might do some things and make the changes necessary. I did not make the seminar, but it involved NISRA, government statisticians and other commentators on the economy from the private sector and all the feedback was that it was positive and people recognise the merits.

Mr Flanagan: OK, but has there been any response from DFP or DETI since then?

Mr McAleavey: No, there is no official response to the report at this stage.

Ms Fearon: Thanks for the interesting report, Michael and Seamus. It is of particular concern that there appears to be large omissions in public finance data here and we are effectively relying on guesswork. Of particular concern is the fact that we estimate that. It is a major revenue stream, and we estimate it on the basis of surveys, on the numbers of small households and the returns of those surveys, which have to be aggregated over three years to get any kind of estimate. That is completely ridiculous. Have you any suggestions on how we can improve that aspect of it?

Mr Burke: That is a particular failing of the data, which goes to the point earlier about beefing up what is done here. If you have extremely small sample sizes, as is the case in VAT returns, you cannot rely on the data at all. Your degree of confidence in that data is not quite zero but it is very low. So, you have done some survey work, but it is not very valuable. You need to have proper sample sizes for all the data in order to have any degree of confidence behind it. I would not place any confidence in the VAT returns as currently surveyed and the amount of returns they are based on.

Ms Fearon: You will not be surprised that my view is that the fiscal balance report that DFP produced is not fit for purpose. It is inaccurate for a number of reasons, one of which is that there are obviously key gaps and we rely on estimates for major revenue schemes, such as those that I have mentioned and income tax. To point out one particular failing, last year's 'Net Fiscal Balance Report' indicated that £12.7 billion was generated in 2010-11 but, in this year's report, for the same time frame, it said that the figure was £13.5 billion. So, DFP miraculously came up with almost £1 billion. There are clear limitations in that. Do you have any suggestions as to how we could replace that or improve it?

Mr Burke: Yes, I noted that. The general rule of thumb used in these things is that rubbish in rubbish out. If your series of assumptions are poor at the outset, do not be surprised if they are subject to massive revisions, uncertainty or plain inaccuracy. I have to agree that the 'Net Fiscal Balance Report' is fit for purpose; it is certainly not fit for its often-stated purpose, which is that it is an accurate estimate of revenues and expenditures here. There is no source of fiscal data other than the Treasury. The Treasury provides all the data for all reports related to the fiscal side of the economy. In the 'Public Expenditure Statistical Analyses' (PESA) report, the Treasury makes clear that what it calls its country and regional analysis a statistical construct — that is it allocates portions of budgets regionally or nationally within the UK, which means that those expenditures do not necessarily take place there and those revenues are not necessarily raised there or they may be more or less. So, if you try to build a bigger artifice on weak foundations, it should not be surprising if it occasionally comes crashing down around your ears.

Ms Fearon: Yes, if DFP is able to miraculously come up with that kind of money it can probably solve all our problems. Do you have an opinion on the absence of a departmental statement on the need for an accurate statement of revenue for the North? Without one, we are relying on estimates and guesswork?

Mr Burke: That is disappointing, obviously. Departments should have accurate data on which to base policy and provide reports. If the Department has not done that, that is something that the Committee should take up.

Ms Fearon: We should take that up. If you are responsible for the economy, you should at least want to have accurate data to underpin your strategies.

Mr McKinney: Thank you for your report. This is not the first time that the Committee has heard about the absence of data: you probably remember the cross-border study, which talked about the absence of subregional data. So, this is adding another layer to all of that.

I assume that the bones of this information lie somewhere, because decisions are being made by Treasury or other people. How long would it take to put in place some kind of structure to address the issue?

Mr Burke: I am not an expert on the workings of the Treasury. I do have contact with people who have worked there many years. I assume that it would not take very much, because, as you rightly say, the likelihood is that some of the data is already present. So, I would avoid the sweeping statement, "No one knows this." It may be that it is known and has just not been published or released. That is something that is definitely worth investigating.

Mr McKinney: Earlier on, people talked about there being no economic data, but I assume that you want to get into having decent room for margin for error. In other words, getting into the zone as opposed to not getting on the field. How big a job would that be? You are saying that it would not take that much and that the ingredients — that may not be the right term — for the data are there. So, this might not take a lot.

Mr Burke: It might not. Maybe, you should follow up with the people who have done this, i.e. the people in the Scottish Government and their statistical agents who created this, and ask them how the process worked. It is certainly the case that some of the data is there. Once you know that, it is not as if you have to invent the wheel, and building on it is not that difficult a job. I am certain that there would be additional cost, but it is always important to remember that there is a big additional benefit too.

Mr McKinney: People may try and put obstacles in the way by saying it is a big job et cetera. In that context, are there measurables in your mind — short term, medium term and long term — on how getting a bit of the information would achieve x, getting a bit more would achieve y and getting a bit more again would achieve z?

Mr Burke: As someone who is nerdy enough to do all this for a living, I would obviously want to know as much information as possible all the time. However, this economy generates just under £30 billion in value added. That is not an insignificant sum of money. We do not know much about it: we weight it. That is the total quantum of what you are dealing with, so the tiny amount of resources that are required to understand what is happening are infinitesimal by comparison. The investment in this is tiny compared to the potential pay off.

Mr McKinney: We are all under pressure, including the public, with monitoring rounds. So, despite the huge amounts of money that swirl around, we are all held hostage to £100 million here and £50 million there. So, it is probably wise to make sure we get as much data as possible.

The Chairperson: The ONS publishes a range of macroeconomic statistics for Scotland, but nothing similar is done for the North. Is that what you are saying?

Mr Burke: The ONS collects data here, but it does not collect all the same data that it does for the North. If it does, it does not do so in sufficient number, which relates to the point about sample sizes. However, there can be confidence behind the specific Northern Ireland data.

The Chairperson: OK. Thanks for that.

Mr Frew: You cite the Scottish model as a best practice model that we could adopt. Do we have any estimations for how much it costs to implement that in Scotland and, by comparison, how much it would cost to adopt that system in Northern Ireland, considering the differences in population and scale as far as the economy is concerned?

Mr Burke: I do not know the total cost, and that partly informed my earlier suggestion to maybe get people in from the Scottish Government who are responsible for that.

It is sometimes said that the provision of comparable data for the Northern Ireland economy would require the same level of expenditure, but, clearly, because the economy is smaller, that is not actually true. It should be noted that some data has already been collected; it just needs expanding for the sample size. So, it is not a question of the total sum of data, or the total sum of the cost of the data, for Scotland being a new additional cost for this economy. Instead, what you would need to deduct from that is the costs of the data already gathered here and — I know that this is perhaps a bit late at this point — the costs of not doing it. If you fly in the dark, you will crash occasionally. There is a real cost to not having good economic data.

Mr Frew: What is more risky or dangerous: having more accurate data, thereby leaving less margin for error; or having up-to-date data? I know that we do not get reports or information on different aspects of data collection until two years down the line, so reports are coming in now that show the stats for 2011-12 and 2010-11. I suppose that that relates to your point about a rear view mirror. What is the biggest problem? Is it getting accurate data or late data?

Mr Burke: I have to say both. There is also the additional problem of absent data that is not available at all. That is a key problem. So it is all those problems. That relates to a whole series of

misconceptions about how the economy works. For example, there is a big focus in the official publications on export data. We all understand that, if we export more, we will probably be better off, but it seems to me that informing that is a complete absence of understanding of how a modern economy works, in that most exports are actually the re-export of imports that you have added some value to. So, you need import data as well. If you are going to talk about value added imports, you need to talk about input/output tables and GDPs. So, you need to know all that stuff. If you are going to improve export competitiveness, you need to understand what you are talking about, which is the whole panoply of economic data, before you can improve it. So, it is not simply that it is late or that it is patchy; it is that some of it does not exist.

Mr Frew: How does the Scottish model connect to the Exchequer and the finance Department in London? Given its system, how is Scotland treated differently from us by Treasury at the present time? To expand on that question, how does greater Manchester and greater London compile data, or do they do so?

Mr Burke: If you were drawing up a scale of one to 10 of where there is knowledge about the economy and public finances, if Scotland were 10, I am not saying that it cannot be improved — it definitely could be improved — there is a big gap in public finances data for Scotland because they have to rely on Treasury data, but if Scotland were 10, this economy would be down around one or two. It would be below London. There is more data available in relation to London than there is for this economy, in my view, because the Greater London Authority set up GLA Economics to provide that. It would be on a par with Manchester or somewhere like that, somewhere smaller without its own devolved government.

Mr Dunne: Thanks very much, gentlemen, for coming in. Can you just remind us when the report was drafted?

Mr Burke: It has been a long time in the gestation process. The first draft was well over two years ago. There were a series of reviews, including by DFP, of the final report, which came out some time earlier this year.

Mr Dunne: OK. Do you agree that there has been quite an upturn in the economy since you started the report?

Mr Burke: I do not know.

Mr Dunne: You do not know.

Mr Burke: I do not know how anyone could know.

Mr Dunne: Are you not aware of the upturn that there has been?

Mr Burke: I am not aware of the data that supports that idea.

Mr Dunne: What about generally? I take it that you read the papers so you know what is happening in Northern Ireland?

Mr Burke: A bit from reading the newspapers.

Mr Dunne: You seem to have issues with the targets in the Programme for Government. You reckon that outputs are weak, information and measurements are poor.

Mr Burke: I do not have an issue with the targets. The issue of the Programme for Government is a matter for the authors of the report and people here. If you want my view on them, I think that they are quite good targets. The ability to measure whether the targets are being achieved or not is the difficulty. In the absence of economic data, well-meaning reports tend to be just that; they tend to be well-meaning without the report of anything that can measure success of failure or something in between the two.

Mr Dunne: You reckon that the necessary tools are not being used to bring forward this information?

Mr Burke: I assume that is the case in some instances. In some instances, some new tools might be needed for providing economic data.

Mr Dunne: OK. Are you adamant that you are not aware of any real upturn in the economy?

Mr Burke: I am told that the British economy and the Irish economy —

Mr Dunne: This is the British economy.

Mr Burke: I am talking about the British-wide economy. I am told that there is an upturn.

Mr Dunne: That is all you know.

Mr Burke: I examine the data, and what I understand is that there is an increase in consumption and in speculation on housing in particular.

Mr Dunne: What about growth of jobs?

Mr Burke: The jobs is a very interesting one. In the ONS aggregate data, jobs are being created, but there is a big difficulty with the data that is provided, in that, for example, a full-time job includes a zero-hours contract, which is not widely understood. So, if you are on a zero-hours contract, that is regarded as full-time employment, even though you might not work a single hour that week. So, there is a significant difficulty with that. At the same time, what we do know is that average real earnings are falling. So, it is a very strange situation where the official data shows that jobs are growing but unemployment is falling, yet real earnings are falling. That is a very strange set of circumstances. I think that it is accounted for by what I would regard as something close to a transformation of the jobs market where there is a big growth in casualisation, part-time jobs and zero-hours contracts. That is presented as a big growth in employment.

The Chairperson: Bear with me, Gordon. I want to explore that theme a wee bit further. Take the regional economy of Scotland, where you say these economic data measures have been in place for four years now. What is it telling you?

Mr Burke: In terms of Scotland?

The Chairperson: What is it telling you about the economy? Gordon has referred to the issues around economic growth and the measures and the question of whether there is economic growth. What is the model of measuring in Scotland showing?

Mr Burke: It is showing a very modest upturn after a very sharp recession. It is new economic data for Scotland, but if we compare it with what has happened to Britain and other advanced economies historically, the Scottish economy had a downturn that was not quite as sharp as the 1930s Depression, and it has had an upturn of very weak character. In fact, it is weakest on record as far as Britain is concerned. Scotland is in line with that. The important part is in relation to GDP data. We will leave the effect of oil aside, because the question of whether that is Scottish is contentious. Unfortunately, the onshore Scottish economy is driven by things like house-building. I am in favour of building new houses, but I say "unfortunately" because, if that is all that is being done, it is not a sustainable basis for economic activity. It is not being driven by investment, which is the key to long-term prosperity. In Scotland, they know this. Whether they will take my view of what to do about it is an entirely different matter.

The Chairperson: Of what benefit have the measures in place been to the Scottish economy — that is it in a nutshell — in terms of the measurement of activity and projections as to where they should be going? What actual tangible benefits have those had for the years that they have been in use and in place?

Mr Burke: Very little in terms of policymaking. Without getting into the whole debate that people are voting on today, it is because policymaking has not really deviated greatly from Westminster. There have not been any big changes in taxation or public investment etc; there have been changes at the margins. In order to effect economic change, you need to use the information provided from the GDP and other data to make big economic policy decisions. They have the information to do that, but big

economic policy decisions have not been taken or are not very significantly different from the ones that Westminster has taken.

The Chairperson: So, they are not using it? Gordon, I am coming back to you now; I just want to tease this point out. Is it the case that the data is there but that they are not using it?

Mr Burke: The data is there. To effect economic change, it is a necessary condition to have information, but it is not sufficient. You also have to make policy decisions. Those policy decisions have not varied much from Westminster. They have the information on which to base the decisions, but they have not taken any big decisions differently from Westminster.

Mr Dunne: In relation to evidence of growth, have you seen the Invest NI annual report?

Mr Burke: Yes.

Mr Dunne: Does that not give you an assurance and clear evidence that Northern Ireland is on the turn? There is clear evidence in it of an upturn in the economy. Invest NI has had the best report ever. Is that not good news and something that we should speak positively about? Maybe it would help you to gain information as to how Northern Ireland is performing, rather than talking about a report that is at least two years old.

Mr Burke: This report is not two years old. That is factually incorrect.

Mr Dunne: You commenced two years ago.

Mr Burke: It was revised repeatedly in light of submissions from peer reviews and the DFP.

Mr Dunne: So, it is somewhat dated, but answer my question in relation to —

Mr Burke: It is less dated than the data that we are talking about. The reality is that Invest NI does not do what it says on the tin.

Mr Dunne: That is nonsense.

The Chairperson: Could you explain what you are saying?

Mr Dunne: I think that you have a very jaundiced view of the whole thing, by the way.

The Chairperson: Bear with me. I want to hear an explanation of what you are saying and how you logically came to that conclusion.

Mr Burke: The term "invest" is a very strict economic term. It does not mean "speculate", which is to gamble in the financial market. It is what is identified economically as gross fixed capital formation, which is building things; plants, machinery, equipment and housing. There is no data for this economy on what the level of gross fixed capital formation is. There is none. The data has been discontinued. So, when people talk about investing in Northern Ireland, there is no data to show them what the level of investment is. We do not know whether it is going up, down or sideways. That is my point.

Mr McAleavey: Can I add a comment that is more from a layperson's point of view on this one and from where NICVA sits? I think that we recognise well the inward investment that Invest Northern Ireland has attracted in the past while. I think that it is very, very positive. We think that is good, particularly the added value jobs that it has attracted. When you read the papers and listen to commentators, you see that Northern Ireland, on the private-sector side, has shown some recovery, but I think that we all still recognise that it is fairly fragile. As I say, we certainly commend what has been done by Invest, the Minister and particularly the First Minister and deputy First Minister with regard to the work that they have done abroad to attract it. I think that we are looking at two separate things here. We are looking at whether the data is good enough to be able to make decisions in the future. I see that as no reflection on Northern Ireland or what is being done at the moment.

The Chairperson: OK. Thanks for that clarification, Seamus. Gordon, did you want to —

Mr Dunne: No. Obviously, we are not getting a straight answer on the performance of Invest. I think that enough has been said. I think that we will note that with regard to the report.

Mr Douglas: My question is about that issue. Is that OK?

The Chairperson: Right. That is OK. Come on ahead.

Mr Douglas: Thanks very much for the report. I am a big bit cynical about this report, Michael. I am from a background of involvement in local economic development for many years. I am certainly not an expert. I am not an economist either. Let me just ask you a couple of questions. You mentioned that the Government are flying blind when it comes to economic policy — not just this Administration but previous Administrations have been working blindly on economic policy. Are you saying that this is new stuff that you are bringing to us?

Mr Burke: If you do not have data —

Mr Douglas: You are saying that?

Mr Burke: Yes.

Mr Douglas: The problem I have is this: if the First Minister and deputy First Minister were here today listening to your report, what would you say to them? Both of them have been saying that we have created more jobs in this past couple of years than we have ever done in our history. You are an economist yourself. Certainly, an economist from PwC said earlier this year that we had created over 20,000 jobs up until 2014. What I am saying is that surely if we are going down this blind alley and we do not have the data — I am not saying that we do not have it — why are we so successful? Not a week has passed in the past number of months when we have not created jobs. Are we just being lucky?

Mr Dunne: He has not heard about it.

Mr Burke: One of the good things is that economic activity can take place without economists.

The Chairperson: What was that point? I just did not hear it.

Mr Burke: Economic activity can take place without economists and it can take place without economic data, which is good because it does not rely on people like me to make things happen. What is useful is if people in the economy as a whole know what is happening. That has surely got to be a good thing.

Mr Douglas: I agree.

Mr Burke: I think it is tremendous that jobs are being created. I think that more jobs need to be created. My point is that if we have some information, we might know how to help that process. We might know —

Mr Douglas: So it could be even better then.

Mr Burke: Yes. We might know why the 20,000 were created. We might say, "Why did they come here? Why did they invest here? What sectors of the economy are they in? How did they relate to other sectors of the economy?" For example, we could do a survey of companies that considered investing here but chose to go somewhere else and ask them what tipped their decision to not come here. Half of them might say that it was the lack of rail infrastructure or something else or that somewhere had better things or more graduates in some other sector. We might be able to say that it relates to a certain sector of economy, how we could invest in it and what the spin-off from it will be, but the trouble is that, without the economic data, we do not know.

Mr Douglas: But we do have that data. If we want to find out if a company could come over here, Invest Northern Ireland can certainly do that. It can show clearly why companies came here, whether it is to do with the educated workforce or because Northern Ireland, like any other major European country, is now at peace and in prosperity. It is all those things as well.

Let me ask you another question; it is a genuine question. You have five or seven recommendations.

Mr McAleavey: Six.

Mr Douglas: If we accept your recommendations, what will that mean in terms of the impact for us in terms of economic policy and, more importantly, output in terms of benefits and jobs being created?

Mr Burke: You would know the impact of your current policies better. There are big budgets here and they are being spent. You would know what was happening to those budgets and know more about the interrelationship between the other parts of the economy and all other aspects so that, for example, if the First Minister and the deputy First Minister are making a pitch to an overseas investor, they would be able to give them the economic data to support that case. Without that, you are fighting with one hand tied behind your back.

Mr McAleavey: I think that the recommendations would lead to the production of better and additional data.

Mr Douglas: That is the first step.

Mr McAleavey: It then lets Ministers and other decision-makers make the best choices that they can. If it is all done, it will not in itself improve our economic situation because it then depends what you do with regard to policy. You know that, Sammy, as well as I do. I have responded to many comprehensive spending reviews over the years through direct rule and after devolution, and, when Government say, "Tell us what you think should and should not be done", one of the first things that we said back was, "Tell us the things that have worked well and what benefit we have got out of them as opposed to the things that did not work". We have never got really good answers on that. So, the data should help you in terms of that but, at the end of the day, it does not tell you what to do. You have to make up your mind, make your decisions and take your risks at that point. It is no reflection whatsoever on what has been done, and, as I say, we commend that up to this point.

Mr Mitchel McLaughlin: Thank you very much, Seamus and Michael. The report uses the Scottish experience as an example of how we can improve what we are doing, and I think that we should, if we can, avoid what quite often happens in the Assembly in that, very often, there are very intense disagreements on issues of key social and economic significance in our community. But we do not really have the data to have a coherent discourse that will maybe lead us somewhere, and there is a danger of that happening in this instance. Could you give some indications about what the template from Scotland provides? Did they start from somewhere like the same place as us and how, why and when did they evolve to the point where they can present a template?

Mr Burke: Very much so. The data that they had was from what was provided by the Treasury and what was provided by the Office for National Statistics (ONS). They took the decision that it was worth investing in to build on and improve what was available to inform economic policy making. As we have already noted, the reality is that it has not really had a big impact on policy, but that is a question for the elected representatives of Scotland. It may be that they feel that there is no need or no possibility or perhaps currently that they want more powers to effect economic policy. That is a separate matter from knowing what we are talking about with economic data. So, yes, they started with the building blocks that are available here, but they recognised the need to add to them significantly.

Mr Mitchel McLaughlin: There are two issues that I want to tease out. We have had a discussion about corporation tax being devolved to here. We have an all-party position on it, which I think is excellent. Of course, the number 1 priority in the Programme for Government is developing and expanding the economy and rebalancing the economy. We have also discussed air passenger duty. We had a crisis situation in relation to the imminent loss of the only transatlantic route that we have. People were exercised, representation was made and we got a response from Treasury officials and the Government in Westminster.

In discussing the wider aspects of that, particularly in the context of our number 1 priority, we have found difficulty getting beyond the bottom line of eliminating air passenger duty as opposed to a more incrementalist approach where we would identify potential new export markets connecting into, if you like, connectivity hubs that exist to give us access to new markets and the consequent opportunities and benefits for the economy here. So, even in that approach, people seem to go to saying, "That will

cost you £60 million or whatever". Figures seem to just emerge about how much it will cost, but no figures are produced to set against that. Even if you were to go for completely eliminating air passenger duty to put us in a position where we can compete with what is happening in Dublin airport, they would just wipe the floor with us because they have taken the pragmatic and practical steps. We cannot even take the baby steps towards that.

There seems to be almost a cultural thing, and I am interested to know whether Scotland runs into those problems or whether people said, "Information is not bad". You may have arguments about what you will do with the information, but we all should have the same information. It should be transparent. I do not even hear the clamour for this change coming from the sources that I would expect here in our economy: the players, the academics, the economists, the various consultancies out there and the representatives of business in this region. They seem to back off this kind of argument. Is that cultural or do they think, "Let us not stir this up because people will disagree and fall out, and we will run into even more bad news in terms of a dysfunctional Assembly"? Why do we not work on the basis on information and data and science?

Mr Burke: That is a very big question. To take your first point first, it is beyond the scope of this report, but a bugbear of mine is how the Treasury presents data generally. You will see from the Budget reports every year that there is a cost, cost, cost from doing whatever but never a benefit. There is never an attempt to say that, if we cut x tax or raise x tax, this has not just this revenue impact on the Treasury but has this economic impact and something else as well. There is none of that. It is not economics at all. It is actually very bad accounting, because it does not take account of the various other impacts that it is going to have on your accounts. That is a bugbear of mine. I would not claim to be an expert at all; very far from it. I am whatever the opposite of an expert is on the political culture that might inform people's votes. I get the feeling that even mentioning this is controversial, and that might be something that relates to long-standing divisions here. However, it seems to me obvious that, for any policymaker, the more information you have, the better. That is a very obvious point.

Mr McAleavy: Can I add to that? The last time I attended this Committee was for the fiscal powers report. I think that I made a comment then that one of the things that we were trying to do in NICVA, through all this work, was to help our sector, and then the wider Northern Ireland society, become better informed about those issues. I said that the last thing that we should do is take ideological positions in ignorance. So, to look at the evidence, and then make up your view, I think, is very important.

Personally, I am very pragmatic on those things. If you take the debate on corporation tax, a lot of organisations in our sector suffered a lot of angst because they would have seen the movement of money from certain public expenditure that might help people on low incomes into a tax reduction for big corporations. They felt that that was not necessarily a good thing. My view, and the view that NICVA came to, is that anything that is likely to lead to a better outcome in our economy is worth looking at. To me, the jury is still out on the corporation tax issue. I think that we have to look very closely at the evidence. I think that big companies are very good at managing their tax affairs and all that. However, if our considered view on anything, after looking at all the evidence, is that there is a reasonable prospect that it would change things significantly to our benefit, then it is worth taking the risk. And I think you do that. We are not great here, I think, at trying to gather as much evidence as possible, and then making some of our decisions.

Mr Mitchel McLaughlin: I suppose, that that leads me then to another issue, which is the way in which Europe approaches the provision or collection of data, and the extent to which Europe draws that down into the regional economies. But the North does not figure in that. Is that situation particular or peculiar to Northern Ireland, or is it an issue that impacts on Scotland, Wales or north-eastern England?

Mr Burke: In terms of the European data, what are called the NUTS ((Nomenclature of territorial units for statistics) levels of regions —

Mr Mitchel McLaughlin: Do you think that that is a good description of it? *[Laughter.]*

Mr Burke: It may be unfortunate. There are regional economic units of the same size in Europe that have much more detailed European-based economic data. So, it is doable, and people feel that it is valuable. In relation to Europe, there are an awful lot of funds which Europe provides, and one of the things it looks for, in the allocation of those funds, is economic data to support arguments. So, it could

not possibly be a negative to have that data, which is not currently available. Some regions have extremely detailed economic data of that type, provided through Eurostat.

Mr Mitchel McLaughlin: Have you any understanding of why that information is not collected by Eurostat? Who has resisted, stopped or overlooked it? If that is not a question that you can answer, perhaps you can give us an indication of how we could establish why that omission exists?

Mr Burke: Eurostat will not operate without the cooperation of the local fiscal agency which, in this case, is the Office for National Statistics (ONS). If the ONS is telling Europe that it cannot provide, does not have the resources or whatever the reason is for not providing that data, Eurostat will not go ahead and do it itself.

Mr Mitchel McLaughlin: It might be unfair to ask the witnesses this question, Chair, but I think that we might need to explore whether this Assembly and its own statistical resource could not further explore this possibility. One issue highlighted in the Budget review process was whether we were maximising our access to European funding. That is clearly a deficiency in that approach if we do not have the information to back up an application or a process. Can we make a note of that as a Committee as something that we could raise?

The Chairperson: What I was going to suggest at the end of the meeting, as a result of today's deliberations, was that we seek further opinion around the report. We will come to that later on, Mitchel, and we could perhaps incorporate your suggestion into that.

Mr Mitchel McLaughlin: OK. I am happy enough to leave it at that, but I presume that that would give us a chance to put down a marker in hearing from our Scottish counterparts how they manage to get to the position that they are in; the pros and cons, benefits and otherwise that they have gleaned from that process. Thanks very much.

Mr Agnew: Thank you for the evidence so far. It has been very informative and has highlighted an issue that, as others have mentioned, the Committee has been increasingly aware of.

Given what you have said, Michael, do you feel that the Executive have insufficient data to make a decision on such a major issue as the level of our corporation tax, should it be devolved?

Mr Burke: No, in the sense that there is no absolute level of information that is required before any decision can be taken. However, clearly, the more information you have, the better informed the decision will be. Elected representatives should take decisions because they represent the electorate: that is my general view. As someone who tends to operate in the field of economic data and analysis, my point of view is always going to be that, if you have better economic data, you can have a better analysis. A better analysis should inform the decision, but I think that it is for elected representatives to decide what powers they want and how to use them. How to use them will be the key; that should definitely be informed by reliable economic data.

Mr Agnew: I will ask you about economists, then, rather than politicians. I think that is was the Economic Advisory Group that said that corporation tax and the reductions would mean that, essentially, it would pay for itself within 11 years. Do you see any credibility in that? Do you think that we have the data to make that type of prediction?

Mr Burke: I have not seen that forecast. I would be surprised, having seen the detailed work that went into that, if I could make that same prediction confidently, because, without the economic data, without knowing how much corporation tax you are getting in, and without knowing the detail of the economic impact in a change in corporation tax, then I would not know how one would begin to construct that forecast. Knowing what I know about the data, I certainly would not make that forecast.

Mr Agnew: So, as you said, we come back to the phrase "flying in the dark". As you said, we are entitled as politicians, and the Executive are entitled, to make decisions, but we do not have the data to actually try to predict the outcome.

Mr Burke: No, and even if we did, it would depend on the overall economic framework. The current coalition Government in Westminster cut corporation tax from 28p down to 20p. That was done with the assertion that corporation tax revenues would rise as a result because investment would rise. Neither of those things happened.

Mr Agnew: Moving on to the data that we do not have, one of the areas you mentioned was GDP. I think that GDP could be characterised by saying that, a bit like democracy is a form of Government, GDP is the worst form of data that you can collect on an economy apart from every other form. I suppose we have an opportunity not to have to do things how they have always been done, if we are looking to do something different. Are there any other models that we can look at as alternatives to GDP that might be worth considering or which would be a better way of measuring the size and growth of our economy?

Mr Burke: The ONS already provides a couple of good measures, amongst which is GVA. I do not want to bog down the Committee in acronyms, for obvious reasons. Gross value added is a very, very useful measure of economic activity, but it is not as complete as GDP. Like GDP, it has three components: incomes; output and expenditure. Again, without bogging down the Committee, having those three is like the three legs of a stool: you need all three for it to stand. Currently, there is GVA data for only two. We have it for incomes and output, but not for expenditure. However, that is not unusual. In absence of GDP data [*Inaudible.*] and there is a decided value in having the GVA data, but it is incomplete. It is not as good as having GDP data. There is a whole panoply of statistics which are very useful. There is no one magic bullet. It is not a case of having this piece of economic data and then being able to take all economic policy decisions with perfect knowledge. You will never have perfect knowledge about the economy, because we are looking through the rear view mirror, but, if you have the GDP data, that is overarching. I suppose it is the collation of all the key economic data. The GVA is very helpful. Input/output tables are extremely helpful, because they tell you how the different sectors of the economy work together, and so on. You are asking a nerd. [*Laughter.*]

Mr Agnew: I appreciate that it is not a question that comes with a simple answer. Given that you are sitting alongside the CEO of NICVA, are there any models that you think we should be looking at which would better model the impact of economic decisions on the social impacts of economic decisions?

Mr Burke: There are two aspects to that. I will be brief, because I know that I sound like a broken record. First, you cannot build an economic model without data. Secondly, there is quite a lot of good social data relating to this economy. That is very useful and important, because, ultimately, that is what economic policy should be about. It should be about the well-being of the population. The only problem is this: without the economic data, you do not know how the two are interacting. That is the difficulty.

Mr Kinahan: Thank you very much, Michael; thank you very much for your report. Like many, I am very sceptical on it. I see a very important use for economic data. I go back to your analogy about trying to drive the car by looking out the back window. In the modern world, so much is moving so quickly. Businessmen need quick decisions, because everything is incomplete, as information is moving very quickly. You have to be looking out the front window. Economic data has to be feeding the information that is helping you look out the front window. As I read through the report, I felt that we had a lot of generalities. We need to know which data we need and how to use it. Let me take corporation tax as an example. Investment companies coming in need to know that there are more good buildings in the right places. If you do the economic side, it will tell us on a nice chart that we are not building enough buildings. If you look at it the other way, and you talk to the businessmen on the ground who are trying to invest, they will tell you where they want the buildings. It is trying to get those two things to work together. I think that we can concentrate too much on economic data, when, in fact, we have to be as agile as ever in the modern world so that we are beating the Americans, Indians or Chinese to the decisions on technology. We need to know more. There is a very good list of items on page 20, but they are still just headings. I would love to see more detail on what you want out of retail sales, how that line takes you forward and what the information is going to be used for. I see its position, but we are focussing at the wrong end: I want to look out the front window. Do you see my point? I would like the Committee to be looking at your headings and finding out what detail we need. We cannot have all the information in the world, but what is the key detail that we need? I am sorry that that is a bit of a rant, but I see your point.

Mr Burke: I did not take it like that: it is quite a valuable point. Without making this an epic report, which no one would read, you are left with headlines and recommendations telling you that you need data on retail sales. However, for a business operating in the retail sector, and I know this intimately from my family circumstances, most retailers regard the official retail sales data as a bit of a joke, because, again, it is not timely and is not that reliable in the sector that they operate in.

I agree with your "rant", although I took it as a plea, for more data. Columnists love labels, and what you are looking for is data of a more microeconomic kind, whereas I was asked to focus on the macroeconomic data. The more information we have on both macroeconomic and microeconomic data, the better everyone will be. We are all economic policy decision makers: every individual, every business and every part of Government make economic decisions every day of the week. The information that we require to inform those decisions is quite important.

Mr Kinahan: Do you see my point? You are asking for more resources to produce more data, but we are in a world where there is not much resource available. What data exactly are you looking for? We could keep on pumping money in to get more information. What I am really asking for is shorter and sharper detail on what data we need.

Mr Burke: Do you want me to come back to that?

Mr Kinahan: I would say, "Come back on that."

Mr Burke: I concur with what you say. For specific needs, broad macroeconomic data is fairly useless. If you are a woman who runs a business in the retail sector, you want very specific data on that sector. You want to know how it evolved over time, and you definitely want to know how your customers are doing, what their pay is like and whether it is going up and down, and whether people's jobs are growing or contracting. You want data on all those factors, and you want them as real time as possible. So, I agree with you.

Mr Mitchel McLaughlin: I want to come back in, having been provoked by Danny's line of questioning. A number of members have talked about Scotland. Are there examples of other states that take the approach of gathering the data and then sharing it and applying it to information tools for policy development and decisions?

Mr Burke: There are a lot. Most modern advanced economies tend to have a bottom-up as well as a top-down approach to gathering economic data and disseminating it. I only use this example because I know it well and not because it is the best example. In the United States, at state level and city level, they often have very detailed economic data, which is input into the federal data and allows them to take very detailed, and hopefully well informed, economic decisions on what to do at their state or city level. That is a two-way process: it comes top-down and bottom-up.

Mr Mitchel McLaughlin: So, all relevant information is available and shared.

Mr Burke: Yes.

Mr Mitchel McLaughlin: There are no glass walls.

Mr Burke: No. They get federal funding for the provision of economic data, and they supplement it with their own.

The Chairperson: Mr Anderson, you wanted to come back in on an earlier point.

Mr Anderson: Just quickly. I have a couple of wee points. Thank you for your presentation and for coming along today.

On this whole area of collecting data, I note in your report that you say that there is little incentive for the local Administration in Northern Ireland to accept full responsibility for the preparation and publication of their own data. Why do you say that? Where does that come from?

Mr Burke: Because of the huge cost. If it is simply a question of the local Administration having to provide it, it is going to overlap with the national authority, the ONS, and there may be separate and distinct publications for each. I think that it is much more likely to be effective if it is done cooperatively. That is my point.

Mr Anderson: So you are saying that it is mainly due to the cost?

Mr Burke: Cost, duplication and variation. If you have two sets of economic data, which do you rely on? So, that is an issue as well.

Mr Anderson: Are you saying that the data that they already get or have is irrelevant?

Mr Burke: No. There is hardly any data that is irrelevant. It is a question of whether it can be relied on to do the job that is being asked of it. It is very rarely the case — I am not a statistician — that statisticians provide useless data; it may happen. It is what people do with the statistics that they provide. If people ask the data to carry a greater weight than it is capable of carrying, that is where the difficulty arises.

Mr Anderson: A comment was made — I am not sure who made it — that we are not great at gathering data evidence in Northern Ireland.

Mr Burke: Sorry, you will have to refer me to what you are —

Mr Anderson: Someone here commented that we are not great at gathering evidence here in Northern Ireland. Does that come down to the fact that the incentive is not there, which you talked about, because of issues with cost? Surely a lot of people have gathered evidence. If a company were coming to invest in Northern Ireland, it would not arrive here without having a lot of information and statistics on where to set up its base. We have heard many arguments in the past about why companies set up in a particular place. We as politicians might want them to go to our local area, but they say, "No, we are not going there, because our data shows us that Belfast, Lisburn, Fermanagh or wherever is better for us". So, such people come with a lot of data, do a lot of research and gather a lot of information, and they are assisted by Invest NI and others, which my colleague talked about. All data is good. I still think that there is good data here on the way in which we are going forward, so I do not see it as being all doom and gloom. Do you think that it is?

Mr Burke: No, I do not think it is. I do not think that it is all doom and gloom or that all the data provided here is rubbish. I hope that nothing I have said in the report suggests that. My report and my plea is for better, more informed, more consistent, timelier and better data. It is not just the case that business needs it; everyone needs it. Government need it too. That is one of the key things. As I mentioned before, Government are a big actor in the economy, and if Government do not understand what is going on in the economy, the decisions that they are likely to make will be, let us say, suboptimal.

Mr Anderson: I have a couple more questions about getting the data. Do you do any work for political parties in your area of work?

Mr Burke: Yes. I have worked for a number of political parties and done work with them. I have done work with the Labour Party, Sinn Féin and the Liberal Democrats.

Mr Anderson: Have you done work in Northern Ireland?

Mr Burke: I have only been asked to do work for Sinn Féin.

Mr Mitchel McLaughlin: You may get more work now, by the sounds of it.

Mr Burke: I hope so.

Mr Anderson: So you have been asked to do work.

Mr Dunne: That is why it is a jaundiced view.

The Chairperson: Wait until we see —

Ms Fearon: Can I come in?

Mr Anderson: Let me tease this out a wee minute, Chair.

The Chairperson: Just hold on a minute. We can note that, but —

Mr Flanagan: I note that you never asked us to comment on that question.

The Chairperson: Hold on a wee minute. That is not relevant to the report that we are discussing. They are two separate things. We have established that you have done work for political parties. That can happen, and that can be done; but we will just stick with what the contents of the report are here today, please, and question you about that.

Mr Anderson: OK, Chairman. We have established that. Coming back to my original question, I think that there is good work going on here. I am not saying that there should not be further work done, but to say that the Administration here — should it be the Minister, the Department or whatever — did not have the incentive to do that, is not right. I think that the incentive is there, and even with politicians. If it is only down to cost, well, we are all in a difficult time. Finishing off, you said to my colleague that this report was two years in the process, but I am sure that you will agree with me that everything changes. And if you are maybe doing other reports, starting today, you might come up with a different view on a lot of the things that have happened. My colleague teased out that the economic downturn has now, as far as jobs go, bottomed out. We may now be seeing the green shoots of economic recovery that are talked about. I think that the situation is improving. You may have a different view now to the some of the things that you say in the report.

Mr McAleavy: Maybe I could add to that. We recognise and agree with you, absolutely, about the good work that has been done on job creation and inward investment. This report, ultimately, as I see it, is only focused on the data that we might collect. What it says is that, if we collected other data, our decision-makers — you and the Ministers — might better frame policy. It is no reflection on how well Invest NI or the Minister of Enterprise, Trade and Investment have done up to this point. I commend that work. What we are looking at is the issue of the data that is available. After you have got it, it is a matter then of making the political decisions.

The other thing is that having the best data in the world will not mean that, automatically, we will transform the economy in Northern Ireland. If it were like that, or if it were totally scientific, presumably, areas all around the world would do that. Hard and difficult choices must be made. All we are saying is that the more data we have, the better people are able to —

The Chairperson: We hear that point. Thank you very much for that, Seamus.

Mr Flanagan: My first point is that I think that there has been a fundamental misunderstanding of what this report is about. Some people seem to think that it is about criticising economic performance; but it does not look at the economic performance at all. It looks at how we measure that economic performance. Those are two very different things. We talk all the time here about devolving tax powers and reducing corporation tax, and there seems to be Executive agreement on that. However, if we are going to make any changes to such a fundamental tax as corporation tax, surely, after the event, we should be able to say: it had this effect on the economy and this effect on various areas of the economy, in terms of geographical regions and sectors of the economy. The ability to make evidence-based decisions is something that we all want. I genuinely cannot understand why anybody would argue against evidence-based decision-making, because it is a very basic point.

The Chairperson: Let us have your question, Phil.

Mr Flanagan: My question is: where is the blockage? Is the blockage local? If the Executive and the Assembly were to say that we are going to invest X number of pounds in determining the best economic data we can, are there still blockages within ONS and the British Treasury that will need to be sorted? Where are the blockages to getting the level of economic data that you recommend in this report?

Mr Burke: I would be very surprised if there was a blockage at ONS, in terms of its willingness to provide economic data. I am sure that they would argue about the resources that they would need to provide more robust data. I think that the likelihood is that you might encounter difficulties at the Treasury. From my understanding of how the Treasury operates — I have to say that I am an external observer and I have never worked there, though I have friends and colleagues who do — I think you might run into difficulties.

A Member: That is a fair point.

The Chairperson: Just picking up on that, is that same detail being provided to Scotland?

Mr Burke: Which detail?

The Chairperson: Sorry; the bit that Phil was talking about and trying to tease out — the details that may potentially be absent or to which there may be a blockage. With regard to those specific items that Phil referred to — and we are into the hypothetical here, because there may or may not be blockages — from the likes of the ONS and Treasury, has there been a problem in Scotland uncovering data that is material, useful or relevant from the Treasury? Are you aware of that? You may not be aware of it.

Mr Burke: I am not aware of it. My understanding — and, in this instance, I would strongly recommend asking the people who are involved directly — is that they simply took the view that whatever was not currently available, they would supplement themselves and work with ONS and others in order to do that. I do not think, for example, that there are thousands of agents of the Scottish Government going out every week and surveying retail sales in Scotland. They work with ONS to do that.

The Chairperson: OK. Thanks for that.

Mr Mitchel McLaughlin: It is the case that the information is being provided. The principles have been accepted for Scotland, so why not for us? It is not a major leap.

The Chairperson: I know. We maybe need to ask all of our colleagues that.

Mr Mitchel McLaughlin: Yes.

The Chairperson: Megan, you wanted to make a point.

Ms Fearon: It was just a brief comment. Phil has actually covered a lot of what I was going to say. I am genuinely confused about the approach of both Gordon and Sydney to questioning. I do not know how you can have a jaundiced view of cold, hard facts. I assume that you have read the report. You will note that it has not been commissioned by Sinn Féin, but by NICVA.

The Chairperson: I think that we have established that. Did you have a question?

Mr Dunne: There is a clear link.

Ms Fearon: They are cold, hard facts.

The Chairperson: Sorry; hold on a wee minute. I want to stick clearly to the report, please.

Ms Fearon: That is what I am doing.

The Chairperson: Sorry; stick clearly to a question on the report.

Ms Fearon: Our economy is not all about attracting foreign direct investment, which might be a surprise to some people. The report does not criticise Invest NI. I just do not see the downside of being able to make informed, economic and actually social decisions as well. How can collecting more data be bad?

Mr Anderson: I was not saying that.

The Chairperson: Sorry; have you a question on the report, no?

Ms Fearon: You can make comments. Not everything has to be a question.

The Chairperson: Sorry; I thought that you said that you wanted to ask a question.

Mr McAleavey: Can I just add with regard to all of our reports and research that we commission a wide variety of organisations and individuals to do research for us. We do that on the basis of who is best placed and has the experience and professional knowledge on any of the particular issues. We do not do it on the basis of who else they have worked for or anything like that.

The Chairperson: Presumably, you tender your work like everybody else does.

Mr McAleavey: We do.

The Chairperson: OK. Right. Thanks very much indeed for that, Seamus. While we focused on the report, I found that good and refreshing and definitely food for thought. We will talk among ourselves here as to what our next course of action would be on that. Thank you very much for your time.