

**SGI** Sustainable Governance  
Indicators 2009

## Ireland report



## Executive summary

Ireland may be seen as a typical example of a modern, representative, liberal democracy, in which the government's accountability to the population is insured by regular, open and fair elections as well as by a culture in which an independent judiciary protects civil rights and a free press is able to scrutinize and criticize government actions. In recent years, allegations of political corruption have plagued several members of Ireland's political elite. Nevertheless, while corruption remains a concern and an object of media attention, legislation on political transparency, party funding and electoral spending passed in recent years has attempted to reduce the systemic capacity for political corruption.

During the period under review for this report, Ireland has been characterized by both ongoing economic growth and a high degree of political stability. Indeed, Ireland's government was composed of a coalition of two parties – Fianna Fáil and the Progressive Democrats – who have shared power since 1997. Ireland's tradition of neo-corporatist governance, in which policy frameworks are agreed on by the government and the so-called “social partners” (i.e., key trade union, employer and farmers' associations), continued throughout the review period. This highly inclusive approach to governance may be seen as restricting the government's reform capacity, and the requirement that several actors be in agreement makes implementing dramatic reforms more difficult.

During the period under review, increased emphasis has been placed on long-term strategic planning, and the current partnership agreement – called “Towards 2016” – dramatically expands the time frame over which policy is agreed to. The introduction of a formal requirement for regulatory impact assessments (RIAs) for draft bills also indicates an increased emphasis on strategy in policy-making.

In this period, Irish society has undergone significant social changes, most notably a high level of net immigration, which has lifted the percentage of non-nationals now residing in Ireland to 10 percent. This increase represents a dramatic transformation for a society that has been previously characterized by a high degree of ethnic and religious homogeneity as well as chronic levels of

emigration.

Owing in part to this influx of people into the country, the Irish population is rather young. One consequence of this is that the Irish pension system is in reasonably good shape. While the state pension is being raised to a target of one-third of average pre-tax earnings, a relatively high proportion of the population is making some provision for their pensions over and above the basic state pension. The National Pension Reserve Fund has accumulated assets equivalent to 12 percent of GNP.

Over the last three years, Ireland consolidated the progress made during the period of exceptionally rapid growth known as the “Celtic Tiger.” High incomes and low unemployment led to a dramatic reduction in the absolute level of poverty and in the level of social exclusion, which is closely related to joblessness.

Whereas managing the economy and unemployment dominated concerns in the 1980s and 1990s, a prolonged period of economic growth has since rendered labor market policy something of a non-issue more recently. Nonetheless, many economic analysts have argued that the character of Ireland’s economic growth during the review period has been somewhat different in character than earlier trends and that the spending of an increasingly wealthy population – rather than increased exports – has been the primary driver of this growth.

With the accession of several new member states to the European Union, many of whom are implementing corporate taxation policies similar to those in Ireland, competition in attracting FDI has grown. This competition has been further heightened by the fact that Ireland now has a relatively high cost base compared to many of the accession states. In such an increasingly competitive global marketplace, Ireland’s reform capacity may be somewhat limited by the need to remain attractive to FDI.

## Strategic Outlook

The key variable for Ireland’s short-term future is the economy. The high rates of economic growth experienced over the last decade are not expected to be maintained or repeated in the near future. The main question regards whether falling property values and the resulting decline in the building industry indicate merely the first step in an adjustment to normal levels of growth or something more serious.

Problems identified in the electoral process can best be addressed through establishing an independent electoral commission. Such a commission could cast a critical eye on the criteria used in establishing boundaries, on the manner in which electoral registers are maintained, on the mechanics of voting (and the possible use of electronic voting) and on the rules of electoral spending, which independent reviews have identified as being full of loopholes.

In the area of civil rights and freedoms, it is important that the recently established office of a police ombudsman be supported and supplied with the resources it needs to provide oversight of the police force.

Finally, the problem of corruption remains. The tribunals of inquiry established by Parliament have been able to do nothing to prevent corruption, and neither have they been able to clearly identify cases of corruption. After almost 10 years, the tribunals have only succeeded in contributing to a general feeling that there was (and, consequently, most likely is) a lot of ongoing corruption and that not much can or will be done about it. During the period of observation, it seemed to be obvious that such tribunals are ineffective and that more thought must be given to alternatives in future, such as the use of parliamentary committees. How much this has changed with the resignation of former Prime Minister Bertie Ahern in May 2008 is still an open question. Ahern himself stated on April 2nd of 2008 that his decision to resign was no confession of guilt, but only inspired by the desire to keep damage away from the office of the Taoiseach and his party.

In terms of economic policy, the existing problems are those of maintaining competitiveness in a marketplace that is only likely to become more competitive, obtaining better value for expenditures in health care, providing for the future in terms of pensions, and developing the university sector, as was suggested by a recent OECD report. The economic partnership process that initially helped precipitate the rapid growth of the 1990s has led to the escalation of public sector pay, which has a secondary effect on other wage levels. It is clear that increases in pay need to be more clearly linked to productivity.

The health service is now semi-independent of the government, but administrative costs remain very high, and budgets have been exceeded prematurely, as they did in 2007 by midyear. In the third-level education sector, the government is more concerned with increasing the quality of the weakest than with insuring that the quality of the best is maintained or improved. This policy will make it increasingly difficult to compete – particularly with the United Kingdom – to attract the best staffs and the best overseas students.

The capacity of government to undertake major projects and to integrate policy

is clearly improving, but it is certainly not sufficient for avoiding major disasters, such as the self-inflicted damage caused by the ad hoc policy on decentralization. Physical infrastructural projects are still being delayed by planning and legal challenges for much longer than is the case in many other EU countries. The government is working on a fast-track planning process that should improve this situation, but it is important that this not be abused.

## Status Index

### I. Status of democracy

#### Electoral process

*Fair electoral process*

*Score: 10*

In Ireland, the procedures for registering both candidates and parties are fair.

There are some measures in place meant to prevent dubious candidates from registering. After a constitutional challenge in 2001, a two-tier system was introduced that requires party-affiliated candidates to supply proof that their parties nominated them and that requires non-affiliated candidates to obtain the signatures of 30 registered parliamentary electors in the respective constituency. In 2007, this system was further amended. The Electoral (Amendment) Act currently stipulates that non-affiliated candidates are required to present either the signatures of 30 registered electors or a €500 deposit to the returning officer in the constituency in order to be registered as a candidate.

The criteria for registration as a political party are set out in Section 25 of the 1992 Electoral Act. The principal criteria regard the requisite number of members (i.e., 300 recorded members or one TD or MEP) and that the party be organized to run for elections. (A TD is a Teachta Dála, a member of the Dáil Eireann, Ireland's House of Representatives, the lower house of the bicameral Parliament, known as the Oireachtas.)

*Fair electoral campaign*

*Score: 9*

Candidates and parties have equal access to the media during election campaigns. The public broadcaster, Irish Radio and Television (RTE), has adopted internal guidelines for ensuring balance between the political parties in its newscasts and in its airing of party political broadcasts. In addition, during the election period (i.e., the time between the dissolution of Parliament and the election), an Election Steering Group meets daily to monitor RTE's output.

Though no paid political advertising is allowed on RTE during the election period, RTE does offer broadcast time to parties free of charge. The number of first preference votes each party received during the previous elections determines access to these three-minute broadcasts.

In addition, during the run-up to the 2007 election, the debates of two high-profile leaders were broadcast. The first was between the leaders of four smaller parties, and the second was between the leaders of the two largest political parties: the incumbent Taoiseach (the Irish prime minister) and leader of Fianna Fáil (FF) Bertie Ahern and Enda Kenny, the leader of Fine Gael (FG), the largest opposition party.

*Inclusive  
electoral process  
Score: 8*

Voter eligibility for election to the House of Representative extends to Irish citizens over the age of 18 as well as to British citizens with resident status in Ireland. In order to vote, citizens must be listed in the voter register. Voter registers are compiled annually by registration authorities at the county and city levels and are published on November 1 for public review. The final register is published annually on February 1. If citizens find that their names are missing from the final voter register, they can apply to be included in a supplemental register up to 15 days before polling takes place. This application must be witnessed by a police officer.

The years 2006 and 2007 were particularly active for the Department of the Environment, which is responsible for the compilation of the register. Following critical media reports, the department undertook a special initiative to update the register by creating a Web site allowing citizens to check their registration status, a media campaign to encourage registration and the deployment of 1,500 field workers going door-to-door to encourage registration and to reduce discrepancies in the register. It remains clear that the register is inaccurate, and the incoming government has indicated that the entire system needs to be overhauled so as to ensure that everyone who should be registered is, that nobody is registered more than once, and that deceased people and those living abroad are not registered.

The main opposition party Fine Gael (FG) and some student organizations voiced some concern that the scheduling of the election on May 24, 2007 – a Thursday – made voting difficult for students and workers living and working in areas other than those in which they were registered to vote. They argued that scheduling the vote on a Friday or weekend would have avoided this problem.

#### Access to information

*Media freedom**Score: 9*

The Irish broadcasting and print media are widely acknowledged as being de facto independent of government influence, and Ireland ranks among the top four countries in Reporters without Borders' 2006 annual press freedom index.

Irish broadcasting regulations divide the media into two components: public service broadcasting and the commercial sector. With regard to public service broadcasting, Irish Radio and Television (RTE) operates two complementary television channels and four radio stations. The provisions of the 1976 Broadcasting Authority (Amendment) Act legally oblige RTE to deliver information on news and current affairs in an impartial manner. RTE's board, known as the RTE Authority, is comprised of nine government appointees. In the past, the government has clearly sought to influence RTE, for which it sets the licensing fee.

Complaints regarding impartiality in RTE's coverage are addressed by the Broadcasting Complaints Commission, an independent statutory body established under the Broadcasting Act (2001). Commercial sector broadcasting, on the other hand, is regulated by the Broadcasting Commission of Ireland (BCI), an independent statutory body whose powers and responsibilities are laid out in a range of provisions contained in the Radio and Television Act (1988), the Broadcasting Act (2001) and the Broadcasting (Funding) Act (2003). The BCI was established in 2001 and is responsible both for issuing broadcasting licenses and monitoring to ensure that contractors live up to their statutory obligations (e.g., meeting the requirement that 20 percent of content is devoted to news and current affairs).

With regard to print media, 2006 saw the establishment of a (non-statutory) Irish Press Council and Press Ombudsman, which is meant to deal with complaints and encourage complainants not to resort to legal action. The relative novelty of this institution makes it difficult to evaluate its performance at this point in time.

*Media pluralism**Score: 8*

The ownership structure of the Irish media is reasonably diversified and characterized by a considerable pluralism of opinions, and the Broadcasting Commission of Ireland (BCI) and the Competitions Authority provide regulatory control to guarantee that this pluralism is maintained.

RTE is the dominant player in the Irish media landscape with two principal TV channels and four national radio licenses, although it does face significant competition in both fields. As far as television is concerned, national competition is primarily provided by TV3 (owned by a consortium in which ITV plc is the major shareholder) and, more recently, by Channel 6 (a digital entertainment channel owned by Liberty Global).

In terms of radio broadcasting, RTE faces competition on a national level from Today FM and Newstalk 106. While these stations are currently separately owned (by EMAP and Communicorp, respectively), Communicorp has successfully completed a bid for several EMAP stations, including Today FM early in 2008.

In addition to competition from national stations, RTE faces competition from commercially owned local stations, which are estimated to draw approximately 56 percent of the national listenership. The radio market currently appears to be moving toward increased consolidation, with Communicorp seeking to dominate Dublin's local market. The BCI and the Competition Authority requested, however, that Communicorp sell Dublin's most prominent radio program (FM104) before it was allowed to take control of two other Dublin radio stations in late 2007.

With regard to the print media market, the largest presence is the Independent News and Media plc., which operates the best-selling daily (Irish Independent) and Sunday (Sunday Independent) newspapers as well as either owning or controlling large stakes in several other major newspapers and in multiple local publications. Nevertheless, there is still significant competition in this area, with the Irish Times Trust publishing the Irish Times, and Thomas Crosbie Holdings publishing the Irish Examiner, the Sunday Business Post and multiple local papers. Furthermore, several British-based newspapers publish Irish editions.

*Access to  
government  
information*

*Score: 8*

Ireland's Freedom of Information (FOI) Act was passed in 1997 and enacted in 1998. The act entitles individuals to request any record held by a public body. The act includes a list of the bodies it covers and empowers the minister of finance to add additional public bodies to the list. The act does not, however, apply to the Garda Síochána (Ireland's national police service), the Health and Safety Authority, the Central Bank, the Financial Services Authority, the Irish Financial Services Regulatory Authority or the National Treasury Management Agency.

In her 2007 report, the information commissioner criticized the exclusion of the police force from the act's provisions, noting that Ireland was the only member of the Council of Europe whose police force is excluded from the provisions of the country's FOI legislation.

There are also a number of other restrictions on access to information. Requests may be declined: if they fail either "public interest" or "harm" criteria; if they relate to information or records involved in a deliberative process, investigations or audits; if their release may interfere with the performance of government functions or negotiations; or in cases where disclosure would

prejudice law enforcement, security, defense or international affairs. The 2003 Freedom of Information (Amendment) Act heightened these restrictions somewhat by allowing civil servants to prevent access by issuing certificates as well as by weakening the public interest criterion.

With regard to appeal mechanisms for declined information requests, a public body's denial of a FOI request may be appealed to the Information Commissioner's Office, whose ultimate decision on the appeal is legally binding. There has been a general decline in the number of applications since the 2003 introduction of a fee structure. The number of decisions appealed as a percentage of applications made has remained steady at about 2 percent during the period under review. Between 2005 and 2007, decisions on approximately 75 percent of appeals affirmed original decisions.

### Civil rights

#### *Civil rights protection*

*Score: 9*

Citizens' civil rights are enumerated in and protected under the Irish Constitution, known as the Bunreacht na hÉireann. Articles 40-45 of the Constitution, which cover citizen's rights, guarantee the rights traditionally associated with liberal-democratic states.

Because Ireland has a common law system, its judges are empowered to interpret the text of the Constitution. In recent years, Irish judges have been very proactive and more and more "creative" in discovering a large number of rights not previously enumerated.

There has been some recent controversy with the findings of a special investigation focused on the conduct of the Irish police force. The revelations of this inquiry led to the Garda Síochána Act 2005, which effected very significant legislative changes for policing in Ireland and created an independent police ombudsman.

#### Annotation:

For further information, see Michael Gallagher, "The Constitution and the Judiciary," in *Politics in the Republic of Ireland*, edited by John Coakley and Michael Gallagher, (London: Routledge, 2004), 72–102.

#### *Non-discrimination*

*Score: 9*

National and EU-level equality legislation in Ireland outlaws discrimination in employment, vocational training, advertising, collective agreements, the provision of goods and services, and other opportunities to which the public generally has access on nine distinct grounds. These are: gender; marital status;

family status; age; disability; race; sexual orientation; religious belief; and membership in the Traveller community (discussed below).

The Equality Authority is an independent statutory body that publicizes equality legislation and provides legal assistance to those claiming discrimination under equality legislation. This assistance is, however, subject to those claimants fulfilling specified criteria to qualify for assistance.

Tensions exist between immigrant and native communities in areas where there are large concentrations of immigrants. In recent years, the issue of who is entitled to enroll in Catholic-owned schools in areas where the population is growing rapidly has become acute, with school management bodies claiming that they are entitled to favor members of the Catholic faith. This has raised the issue of whether these schools are exempt from the equality legislation.

The highest profile discrimination issue among the native Irish population revolves around the treatment and status of the Irish Traveller community (an itinerant people of Irish origin – about 0.5 percent of the total population – with a distinctive lifestyle ill-adapted to a modern urbanized society). Despite the high level of support by the educational and social services, its members remain very deprived in terms of health care, life expectancy, income, employment and educational attainment.

### Rule of law

#### *Legal certainty*

*Score: 8*

Ireland has a tradition of a strong independent judiciary that has been relatively active in amending or interpreting legislation in the judicial review process.

Apart from the freedom of information legislation currently in place, there is also an Office of the Ombudsman, which was established in 1984 and is charged with investigating complaints from members of the public who feel that they have been unfairly treated by public bodies or officials (see “Access to government information”). Legislation widening the role and enhancing the powers of this office is envisioned for 2007 but was not brought forward within the period under review.

The government and administration act on the basis of and in accordance with legal provisions to provide legal certainty. Nevertheless, ministers do have the discretion to issue ministerial orders that might be regarded as being arbitrary or unpredictable. In relation to infrastructure projects and town and rural planning, a significant degree of discretion is vested in the hands of both elected and non-elected officials. In some cases, decisions regarding land use may be unduly influenced by negotiations and bargaining between vested interests rather than by the outcome of the application of objective rules and

regulations.

*Judicial review*

*Score: 10*

The courts in Ireland exercise a high degree of control over whether the government and administration act in conformity with the law. Firstly, the operations of the judiciary are de jure and de facto independent from the control of the legislature. While Article 35.4 of the Constitution empowers the upper and lower houses of Parliament to dismiss a judge by majority joint vote for “stated misbehavior or incapacity,” this option has only been considered in exceptional circumstances.

The Irish judiciary has been increasingly active since the 1960s, especially with regard to the “discovery” of rights not previously enumerated within the Constitution. This has led to major legislative changes in areas such as contraception and abortion. Further judgments have led to the requirement of a referendum prior to the ratification of several EU treaties and the prohibition of the government’s use of public funds to promote the side it favors in a referendum.

While judges are appointed by the government (and typically selected from a short list compiled by the Judicial Appointments Advisory Board), the courts are typically viewed as being “above politics,” and allegations of politically motivated judicial decisions are very rare.

*Corruption prevention*

*Score: 8*

Recent years have witnessed a dramatic increase in the passage of legislation aimed at discouraging political corruption. A series of public enquiries or tribunals into various aspects of public life – including payments to politicians, the planning process for property development involving high ranking Cabinet members, and allegations of corruption in the police force – have brought standards in public life to the top of the agenda in Irish political discourse.

Ethics legislation – including the Ethics in Public Office Act (1995) and the Standards in Public Office Act (2001) – provide for the disclosure of interests by parliamentarians and public servants and for the investigation of possible non-compliance with the requirements of the legislation. The 2001 act established the Standards in Public Office Commission (SIPO), which is responsible for coordinating enforcement of the ethics and party-funding legislation. It also includes provisions for the publication of codes of conduct for individuals holding high government office, ordinary members of both houses of Parliament and public servants. During the period under review, the number of civil service agencies covered under this legislation gradually expanded.

In 2003, a code of practice for officeholders was drawn up that lists and defines guidelines for the conduct of individuals holding political office as well as civil

servants. The guidelines cover several areas, including impartiality, the avoidance of conflicts of interest, the acceptance of gifts and post-employment work.

Reforms have also been made regarding the funding of political parties. These reforms limit the size of the donations that a candidate can receive from a single source and require that donations to candidates and parties exceeding a given threshold be reported to the SIPO. Furthermore, donations from outside of Ireland cannot be received unless they are made by an Irish citizen or a body that maintains an office in Ireland. Spending limits on electoral campaigns have also been introduced. However, in a recent report, the SIPO chairman argued that the narrow time frame within which these restrictions apply restricts the effectiveness of this legislation by allowing candidates to “front-load” their campaigns and thereby circumvent spending limits.

## II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	5.48	38850 \$	2005
Potential growth	6	4.8 %	2008
Unemployment rate	8.83	4.4 %	2006
Labor force growth	10	6.1 %	2007-2008
Gini coefficient	6.68	0.313	2000
Foreign trade	4.72	45.6	2005
Inflation rate	7.61	2.8 %	2007
Real interest rates	8.62	1.4 %	2007

### A Economy and employment

#### Labor market policy

*Score: 9*

Over the last 15 years, the number of employed individuals in Ireland has

increased at an unprecedented rate. This increase has resulted in a reduction in the overall unemployment rate from 15 percent in the mid-1990s to between 4 percent and 4.5 percent since 2000. Moreover, the traditionally substantial net emigration from the country has been reversed, and in recent years Ireland has recorded one of the highest rates of net immigration of any OECD country. All of these indicators are eloquent evidence of the success of the country's labor market and wider economic policies in achieving the goal of full employment. Additional evidence of this success is provided by the fall in the long-term unemployment rate and rising in the employment rates of women as well as younger and older people.

Factors that have contributed to the Irish economy's remarkable expansion include the aggressive targeting of foreign investment (with incentives including a 10 percent rate of corporate taxation), rising skills levels through investments in education and annual transfers from the European Union equivalent to about 5 percent of GDP.

While the evidence is largely positive, toward the end of the period under review, significant job losses occurred in the industrial and manufacturing sectors. Several international corporations relocated their operations outside of Ireland. Furthermore, given the high number of individuals employed in construction-related industries, some have argued that a slowdown in the growth of housing prices could result in a significant increase in unemployment. Nonetheless, unemployment was not an issue in the recent election campaign, which suggests that it is currently not considered a serious threat in Ireland.

### Enterprise policy

*Score: 7*

In terms of international indices such as the Global Entrepreneurship Monitor, Ireland's enterprise policy appears to be good and improving. Creating an "entrepreneurial economy" is a recurrent theme in Irish economic policy. Employment subsidies are justified on the grounds that they allegedly stimulate research and development. Enterprise Ireland, a state body charged with encouraging the development of enterprise within the state, has witnessed increases in spending in assisting established companies with R&D, expansion, management training and productivity as well as in providing grants to start-up companies. Its objectives are to help these firms increase export sales, to invest in research and innovation, and to "drive regional enterprise." In addition, educational expenditure – especially at the tertiary level – is directed toward encouraging cooperation between universities and industry. There has been an

explosion in “business studies” courses at all levels and an emphasis on stimulating entrepreneurship. The tax regime and compliance legislation, both of which are not relatively burdensome by European standards, give further encouragement to start-up businesses.

Nevertheless, there is only patchy evidence that the measures aimed at stimulating indigenous technological innovation have been successful. This is visible, for example, in the modest rate of new patents registered by Irish firms and researchers as well as in the failures of a number of attempts to create national centers of excellence. The most technologically advanced sectors of the economy (e.g., in manufacturing, software development and internationally traded financial services) remain heavily dependent on inflows of FDI.

Two major points of concern for Ireland’s situation are the unit wage cost and membership in the euro zone. Ireland has been losing competitiveness due to both a relatively high rate of wage inflation and the appreciation of the euro relative the US dollar.

### Tax policy

*Score: 8*

Since the 1950s, Ireland has used a low (and occasionally reaching zero) rate of corporate taxation as an instrument for attracting FDI. Owing in part to pressure from the European Union, this method has been modified over the years, and now a uniform 12.5 percent tax is applied to all corporate profits. There has been a consistent, cross-party consensus on the importance of preserving this rate of corporate tax to serve as a cornerstone for the economy’s competitive position and favorable investment environment. Ireland introduced reductions in personal income tax rates in the late 1980s in order to promote wage moderation and foster international cost competitiveness, and thereby foster economic recovery.

The tax system seeks to impose vertical equity by using a system of tax bands with higher levels of taxation for money earned beyond certain income-defined thresholds. The level of these thresholds depends upon marital and familial status. Nevertheless, the extent to which the system actually is equitable is open to debate.

Overall, Irish tax revenue as a percentage of GDP is close to the OECD average. However, should tax rates and public financial needs come into conflict, the Irish public generally prefers to have a curtailment of ambitious public spending programs rather than an increased tax burden. This preference is the opposite of that held in many continental European countries. Increased prosperity, however, has recently facilitated increased public spending without

jeopardizing the maintenance of a low tax burden. Rapid growth has also allowed the country to enter a cycle in which tax cuts have fueled growth while the state of public finances has still dramatically improved.

### **Budgetary policy**

*Score: 10*

The decline in the debt-to-GNP ratio since the 1990s to the second-lowest level in the euro zone provides evidence not only of the soundness but also of the sustainability of Ireland's tax and budgetary policies. There is a surplus on the primary (non-interest) budget and until the fiscal year of 2007 the current budget was in surplus as well. Continued strong economic growth has facilitated policies of simultaneously reducing taxation and increasing public expenditure. However, the outcome for 2007 has begun deteriorating as the exceptional growth of the economy slows, and it seems that a current budget deficit will re-emerge.

A general note of caution is in order regarding this matter. GDP has traditionally been taken as a measure for national wealth. In the case of Ireland, however, GDP is a misleading base for standardization. This is due to the importance of the outflow of profits and incomes generated in the country by multinationals companies. Consequently, Irish national wealth should be measured using GNP rather than GDP.

## **B Social affairs**

### **Health policy**

*Score: 7*

Health care in Ireland is typically delivered using a mix of private and public systems, and most of the health care infrastructure is in private hands. There continues to be considerable disagreement about the appropriate amount that the public and private systems should each provide, about the equity of the "two-tier system," and about why the public health system continues to fail to deliver high quality service despite the infusion of very large additional resources.

From 1980 to 2005, the percentage of the population covered by supplementary private health insurance doubled from 25 percent to 50 percent. This figure is high by European standards and reflects the fact that, in Ireland, private insurance subscriptions are both relatively inexpensive and eligible for tax relief. Health services are free at the point of use for those with low incomes.

Reforms have often proved difficult to implement in the Irish health service. Nevertheless, one should note some recent health-related improvements. Since 2000, the age-standardized death rate in Ireland for both men and women has fallen from about 20 percent above the EU-15 rate to slightly below this rate. The reasons behind this rapid improvement in health outcomes have yet to be researched, but they are likely to include some combination of increased prosperity, higher spending on health care, improved housing conditions and a reduction in air pollution.

### Social cohesion

*Score: 7*

According to the 2006 EU Survey on Income and Living Conditions (EU-SILC), which provides the most recent statistics on poverty in Ireland, the rates of both “consistent poverty” and “risk of poverty” in the population have decreased since 2003. Nonetheless, the exceptionally rapid growth in national income and the increased income inequality it has generated have left the level of relative poverty fairly high. This state of affairs indicates that the benefits of economic growth have been somewhat unevenly distributed throughout Irish society, and explains in part why, in recent years, government policy has veered away from a redistributive approach. Furthermore, additional data from the EU-SILC indicates that non-nationals are significantly more likely to experience consistent poverty in Ireland, where a relatively laissez-faire approach to integration has prevailed.

However, recent increases in expenditures on social security (e.g., pensions, family income support and unemployment benefits) have lifted many of those dependent on such income sources out of absolute poverty. Changes in the social welfare and income tax codes have also increased incentives to accept paid employment, and the fall in the unemployment rate has dramatically reduced the proportion of households without at least one member in paid employment.

Irish education policy – while nominally providing free primary, secondary and tertiary education and also including several initiatives aimed at redressing social inequalities – does not provide tertiary education that is equally accessible to all segments of society. The urban working class, for example, is particularly absent from the tertiary level.

#### Annotation:

“Consistent poverty” is the official, government-approved poverty measure used in Ireland. It identifies the proportion of people whose income is below 60

percent of median income and who are deprived of two or more goods or services out of a list of 11 such goods considered essential for social inclusion and participation in society. More details are available at <http://www.socialinclusion.ie/poverty.html#consistent> (accessed November 28, 2007).

### Family policy

*Score: 7*

In Ireland, women are vastly underrepresented in politics, the civil service and the judiciary. This state of affairs is consistent with their general level of underrepresentation in societal positions of power. Nevertheless, there have been some significant family policy changes. Since 2000, for example, Irish family taxation policy has moved away from one of “aggregation” and toward one of “individualization.” This new system provides incentives for married couples to bring in two incomes. Although the system has yet to be fully implemented, it does differentiate between one-income married couples and two-income married couples. One-income couples pay the higher tax rate on income over €43,000 and only receive one employee tax credit. Two-income couples, on the other hand, pay the higher tax rate on income over €63,000 and receive two employee tax credits. While the system does counterbalance these measures with a “home carers’ tax credit,” there remain strong incentives for families to bring in two, rather than one, incomes.

Some have argued that this new system represents a reduction in the protections afforded to full-time parents. However, the period under review has witnessed significant increases in the Child Benefit (also known as Children’s Allowance) payments the state makes to parents regardless of employment status.

Barriers to the full participation of parents of young children in the workforce include a poor level of public provision of child care (which is often costly in the private sector) and corresponding low levels of tax allowances for private expenditure on child care services. Ireland still ranks at bottom of the OECD in terms of the percent of income spent on pre-primary education. Nevertheless, the low level of public provision of preschool child care is offset somewhat by the early age at which children enter the formal elementary school system.

### Pension policy

*Score: 8*

The Irish pension system rests on three pillars: the public old age pension

funded on a pay-as-you-go basis through social insurance contributions; occupational pensions funded on a voluntary basis by contributions from employers and employees; and personal, individual pensions schemes. The adequacy of the first pillar – that is, the state pension – has increased in recent years, and the goal of raising it to one-third of pre-tax, average employment income has been endorsed by all the main political parties. This pension is not income-related; it is a flat amount currently equal to approximately €10 a month for an individual, with increases for dependants. There is some concern that too many people are dependent exclusively on this pillar, which will face funding difficulties as the population ages.

In April 2001, the minister for finance established a National Pensions Reserve Fund. This new fund represents a move away from complete reliance on the pay-as-you-go system to a partly pre-funded public pension system. It involves the statutory setting aside and investing of 1 percent of GNP annually. The fund aims to meet the costs of social welfare and public service pensions from 2025 onward as much as possible. In this way, the fund will mitigate the burden on the Exchequer arising from additional pension commitments over a very long time horizon. The fund's accumulated assets currently amount to approximately 12 percent of GDP.

Substantial tax incentives are provided to the second and third pillars of the national pensions system in order to encourage individuals to build up their individual pension entitlements. All employers must now either provide an occupational scheme or make provisions for a personal, individual pension plan. About 50 percent of all employees are covered by occupational schemes. Although gaps in coverage remain, Ireland ranks with the United Kingdom and the Netherlands at the top among European nations in terms of the size of private pension funds relative to GDP.

The current system's most important drawback is that it does not effectively prevent old age poverty. In fact, in 2000, Ireland had the highest level of relative income poverty in the European Union for people 65 and older.

In Ireland, the rate of increase in the state pension has been more rapid than that of average incomes in the same period. Data published by the Central Statistics Office indicates that levels of "consistent poverty" and "at risk of poverty" have both declined among older people during the period under review, as has the incidence of relative poverty among the elderly.

Annotation:

OECD, "Income Distribution and Poverty in OECD Countries in the Second

Half of the 1990s,” Michael Förster and Marco Mira d’Ercole, OECD Social, Employment and Migration Working Papers No. 22, 2005, <http://www.oecd.org/dataoecd/48/9/34483698.pdf> (accessed February 1, 2008).

## C Security and integration policy

### Security policy

#### *External security*

*Score: 8*

In the 1970s, 1980s and 1990s, the biggest threat to the security of Irish citizens came from internal subversion in the form of privately organized terrorist armies, such as the Irish Republican Army (in its many manifestations) and its counterparts in the Loyalist community in Northern Ireland. Expenditure on “normal” national security does not reflect the resources that had to be diverted to dealing with these terrorist threats.

With regard to external security, it is fair to say that Ireland has been free riding on the defense expenditures of larger countries and neighbors, such as the United States and the United Kingdom, with both of whom it enjoys close relationships, if not formal military alliances. These relationships have allowed Ireland to enjoy protection from external threats while maintaining formal neutrality and minimizing defense expenditure.

With the recent achievement of what will hopefully be a lasting peace settlement in Northern Ireland and the increasingly close cooperation between both parts of the island, the cost of fighting internal terrorism has shrunk, and national resources have been freed up to concentrate on more typical external security activities. In recent years, Ireland’s armed forces have been active under UN auspices in peacekeeping and some peacemaking operations. In addition, although it is not a member of NATO, Ireland has participated in NATO’s Partnership for Peace (PfP) program since November 1999.

#### *Internal security*

*Score: 8*

Crime rates in Ireland are relatively low, and public order offenses are rare, though not unheard of. A particularly memorable incident in this regard that occurred during the period under review were the so-called “Dublin riots” of February 25, 2006, when clashes between protestors against a pro-Unionist parade in Dublin and the police resulted in 14 people – including police officers and a journalist – being hospitalized. Incidents of this nature, however, are highly unusual in Ireland.

With regard to crime, the period under review witnessed a worrying upturn in violent crime, especially gun crime. These kinds of violent crimes have often

been concentrated in specific areas, of which Moyross, the largest housing estate in Limerick, is the most frequently cited example. These trends are made all the more worrying by the fact that the Irish police force is unarmed.

Another difficulty lies in the permeability of Ireland's coastal waters to international drug smugglers. An illustrative case occurred in July 2007, when police made a huge seizure of cocaine being brought in from a ship off the Irish coast. The seizure was not, however, precipitated by active coastguard searches but by the ship's sinking. This led many to believe that numerous similar shipments may be passing into Ireland unobserved.

*New security  
policy  
Score: 7*

Ireland has pursued a policy of military neutrality since the second world war, and this remains the case in the so-called "war on terror." Moreover, although Ireland is not a member of NATO, it has allowed U.S. military planes to stop and refuel at Shannon Airport.

As a small nation with low levels of central government spending on defense, Ireland does not possess the military capabilities to significantly alter the international security structure. Ireland's membership in the European Union is the principal determinant of its international collaboration on security. Toward the end of the period under review, the Ministry of Defense indicated its intention to enter into discussions about Ireland's possible participation in EU battlegroups, which would be deployed according to UN mandates. Some commentators have viewed this as representing the further erosion of Ireland's official neutral status.

To the extent that overseas development assistance (ODA) is considered part of a country's security policy, Ireland's record is good. ODA relative to GDP has risen from 0.27 percent in 1998 to over 0.5 percent in 2007. Ireland is committed to raising this figure over the medium term to the UN Millennium Development Goal target of 0.7 percent. Almost all Irish aid is untied and unconditional. Since its inception in 1974, the Department of Foreign Affairs' Irish Aid program has had a strong geographic focus on sub-Saharan Africa.

### **Integration policy**

*Score: 7*

Data from the recent (2006) census indicates that non-nationals make up approximately 10 percent of the population of those "normally resident" in Ireland. The majority of non-nationals are from the European Union, and the recent trend points toward high numbers of immigrants from the newer member states. This trend represents a dramatic turnaround for Ireland, which had traditionally had a higher rate of emigration than of immigration.

In terms of integration policy, this turnaround clearly poses something of a

challenge, especially with regard to education policy. Additional resources have been provided to help cope with this challenge, such as hiring more language-support teachers to work with students whose native language is not English. The overall policy, however, is not regarded as being adequate. There are signs of increasing segregation, whereby schools in relatively deprived areas of major cities bear the brunt of the problem of coping with the children of the new arrivals.

There is some evidence to suggest that non-nationals are at higher risk of poverty than Irish nationals. While it is still too early to provide a full assessment of the economic integration of immigrant workers, available data indicates that they have a high rate of employment. Nevertheless, some evidence indicates that they are employed in occupations below their qualification levels and that they suffer in terms of lower earnings relative to their Irish-born counterparts. They also appear to be discriminated against to some extent in the job market due to their insufficient knowledge of the English language. In responding to these new immigration-related challenges after the recent elections, the political system has appointed a junior minister with responsibility for integration.

## D Sustainability

### Environmental policy

*Score: 5*

Environmental policy in Ireland is mainly driven by the legal requirements of EU membership and the threat of substantial fines for breaching EU regulations. The enforcement of environmental policy is largely in the hands of the Environmental Protection Agency (EPA), which is also responsible for licensing industrial processes with pollution potential, monitoring the quality of the environment, licensing and waste management systems, monitoring air and water quality, and drafting and implementing a plan for emissions trading.

Air quality in Ireland is generally good, largely because prevailing west winds from the Atlantic Ocean result in the almost continuous movement of clean air over the country. The smog problem that existed particularly in urban areas in the 1980s and early 1990s has now been considerably improved.

Ireland still has quite a way to go before meeting the requirements of the Water Framework Directive by 2015. There is an ongoing problem with the poor quality of some local water supplies. Although the quality of groundwater and bathing water has improved, the nitrate levels in rivers continue to rise, as have

fish kills. There has in the past been considerable resistance to implementing the Nitrates Directive.

The EPA's National Waste Report 2006 indicates a considerable improvement in recycling, waste recovery and diversion from landfills, but it also shows a considerable overall increase in waste over the preceding three years. Illegal dumping and unauthorized waste collection has been considerably reduced, while non-compliance with regard to exported waste has been eradicated. However, the EPA still feels that management practices in the waste disposal sector are poor.

Ireland is a signatory to the Kyoto Protocol and has agreed to limit emissions to 13 percent above the baseline estimate in the period between 2008 and 2012. Furthermore, a recent government strategy statement indicates that Ireland will adhere to the terms of that protocol. According to EPA figures, however, in 2005, Ireland's emissions were 25.4 percent higher than that baseline, with agriculture being the only sector to report a fall in emissions. In 2006, moreover, the European Commission estimated that, if current trends continue, Ireland's emissions by 2010 will be 30 percent above the 1990 levels.

### Research and innovation policy

*Score: 7*

Recent policy trends have been directed toward transforming Ireland into a country with a knowledge-based economy. The period under review witnessed significant increases in spending on both R&D and fourth-level education. In 2006, Ireland's R&D spending as a percent of GDP reached the OECD average after having previously lagged far behind this point. Nevertheless, spending in this area still remains relatively low when compared to market leaders, and the majority of innovation and expertise in technologically advanced sectors of the economy come from multinational companies rather than indigenous Irish enterprises.

There have, however, been some significant increases in funding. The National Development Plan (2007 – 2013), for example, has allocated €8.2 billion to scientific research. Over the same period, the Science Foundation Ireland (SFI) will invest up to €1.5 billion in academic research aimed at generating new knowledge and supporting cutting-edge technologies and competitive enterprises, especially in biotechnology and information and communications technology. At the same time, however, core funding of universities has declined in real terms, and the government has resisted calls by the sector for the reintroduction of third-level fees. The effectiveness of this strategy remains to be proven.

### Education policy

*Score: 7*

The performance of Irish students in the PISA problem-solving evaluations is around the OECD average, as are its rates of attendance at the secondary and tertiary levels of education. According to these metrics, Irish educational policy may be said to be reasonably successful. Furthermore, during the period under review, increased funding has been provided to the educational system. Nevertheless, the existing system has struggled to accommodate increased demand for places created in recent years by Ireland's high immigration rates.

Funding of third-level education has increased and brought higher education research and development funding (as a proportion of GDP) closer to the OECD average level. Nevertheless, core funding of institutions has declined in real terms, and with salaries being comparatively high, there is less money to spend on undergraduate education.

In terms of social cohesion, Irish educational policy does not provide tertiary education that is equally accessible to all segments of society (see also "Social cohesion"). Another educational policy issue is the coexistence of public and private, fee-charging secondary schools, with the latter typically producing better results in terms of leaving certificate results. As access to college courses is primarily regulated by a student's leaving certificate results, this means that students from private schools tend to have privileged access to the most sought-after courses.

## Management Index

### I. Executive Capacity

*Cabinet  
composition*

<i>Prime minister</i>	<i>Parties in government</i>	<i>Type</i>	<i>Mode of termination *</i>	<i>Duration</i>
Bertie Ahern	Fianna Fáil (FF), Progressive Democrats (PD)	Multiparty Minority Government	1	06/02- 06/07

*\* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.*

#### A Steering capability: preparing and formulating policies

##### Strategic capacity

*Strategic  
planning*

*Score: 8*

The most important element in strategic planning is the Department of the Taoiseach, which is the Irish name for the Department of the Prime Minister. This department employs about 300 people who are at the heart of government policy-making and coordination between departments. Strategic planning has been central to Irish policy-making in several key areas. The importance of strategic planning may be attributed to the centrality of a neo-corporatist approach to governance that has characterized Ireland's politics since the 1987 signing of the Program for National Economic Recovery (PNER). This approach has focused several key Irish policy areas on broad strategies agreed to in tripartite "social partnership" agreements.

The latest such agreement, entitled "Towards 2016," was agreed to in June 2006. This agreement represents an increased emphasis on long-term strategic planning and provides for policies under a broader time frame (the strategies laid out in the agreement run from 2006 to 2015) than has

previously been the case. The agreement also embodies the social partners' endorsement of a number of strategies in key areas, including a National Development Plan (covering the period from 2007 to 2013) and the National Spatial Strategy (meant to cover "the next 20 years").

In addition, public service reform has placed a greater emphasis on strategic planning within the civil service. Under the Public Services Management Act 1997, government departments are required to produce detailed strategy statements describing their objectives and goals and outlining how they shall be achieved.

*Scientific advice*

*Score: 6*

Although the government does draw on academic expertise in many areas, scientific advice does not usually reach the government through formal channels, and consultative bodies (e.g., the National Economic and Social Council, the National Economic and Social Forum, and the National Statistics Council) frequently include academics among their members.

A noteworthy trend in recent years – and especially under the 2002 – 2007 Fianna Fáil/Progressive Democrats government – has been an increase in the proclivity of government departments to engage consultancy firms to provide expert advice across several policy areas. A response to a parliamentary question provided a spending estimate of €230 million on external consultancies between 1997 and November 2006. This estimate even excluded several large departments, such as the Department of Health, which has frequently engaged outside consultants. While the last budget noted a drop in consultancy fees, this was due to a redefinition of terms rather than to a real decrease in the use of consultants.

It is difficult, however, to discern the degree of influence that nongovernmental scientific advisers have. Focusing on the increasing number of reports commissioned may be misleading, as their recommendations and reports are frequently either ignored or taken into consideration only selectively when they fits the political aims of the decision makers.

#### **Inter-ministerial coordination**

*GO expertise*

*Score: 7*

The prime minister's office, known in Ireland as the Department of the Taoiseach, may be said to have sectoral expertise in a number of policy areas. It also provides the prime minister – known as the Taoiseach – with evaluations and advice concerning draft legislation. The Department of the Taoiseach comprises approximately 300 people in a number of sections or divisions. The key policy sections are economic policy, social policy, social

partnership, public services modernization and European and international affairs. These sections do not perfectly mirror the government's ministerial organization, but the match is close enough to allow a section to focus on the main areas of departmental responsibility.

The effectiveness of the department in improving the decision-making in the wider government administration is open to debate, and the results in terms of improving economic decision-making, for example, and especially in regard to major capital projects, have not been awe-inspiring.

*GO gatekeeping*

*Score: 9*

The Department of the Taoiseach's primary role is to coordinate government policy and ensure a consistent and coherent legislative program. In order to achieve this mandate, the department has the capacity to return any item it judges as being in conflict with the government's overall policy agenda. In practice, this does not happen too often because the department is already involved in assisting with the drafting of any significant policy initiatives at an early stage, which usually prevents it from reaching an advanced stage without approval.

*Line ministries*

*Score: 10*

The Department of Taoiseach and Cabinet are always involved at an early stage with the development and drafting of any significant government policy. Therefore, memoranda for discussion at meetings of the Cabinet are subject to a prior process of consultation with the Department of the Taoiseach, the Department of Finance, the Office of the Attorney General and any other ministers directly concerned. Following a consultation period lasting between two and three weeks, the memoranda are revised to take the views expressed by the various departments into account.

*Cabinet committees*

*Score: 4*

Ireland differs from the common European pattern by not having a well-developed, institutionalized system of Cabinet committees. Some committees have been formed from time to time on an ad hoc basis to deal with particular issues but without being institutionalized with their own secretariats. The use of Cabinet committees has varied from one administration to the next, but in general they have been used by coalition governments more often to defuse inter-party conflicts than to aid in strategic debates.

The lack of a well-developed Cabinet committee structure means that most questions come before the full Cabinet for a decision without previous handling or amendment. As a collective body, Ireland's Cabinet appears to at least see an extraordinary volume of papers. According to a 1993 report, the Cabinet handles about 800 papers a year, as compared to about 60-70 in Britain, where much more is delegated to Cabinet committees. Furthermore, the lack of such a committee system naturally strengthens the political power

of the prime minister.

Annotation: Brian Farrell, “The Government,” in *Politics in the Republic of Ireland*, Dublin and Limerick, edited by John Coakley and Michael Gallagher (Dublin: PSAI Press and Folens, 2nd Edition, 1993).

*Senior ministry officials*

Score: 9

Senior civil servants are central to most policy matters. Most material discussed at Cabinet meetings is thoroughly prepared by ministry officials.

*Line ministry civil servants*

Score: 9

Policy proposals are coordinated by line ministry civil servants, thereby allowing the Cabinet to focus on strategic issues. In most cases, coordination must also involve the Department of Finance, since this department is responsible for resourcing any new policy developments, which naturally feed into the government’s spending and budget cycle.

### Regulatory impact assessments

*RIA application*

Score: 7

In Ireland, the introduction of a system of regulatory impact assessment (RIA) was relatively recent and followed a 2005 Cabinet decision providing that RIAs must be conducted on: all proposals for primary legislation involving changes to the regulatory framework; significant statutory instruments; and proposals for EU directives and significant EU regulations published by the European Commission. Furthermore, the 2006 Cabinet Handbook stipulates that all memoranda for government decisions subject to a RIA must be accompanied by such an assessment.

Two levels of RIA are available in the current framework. All legislation undergoes a so-called screening RIA, and those policy proposals that the screening RIA deems to entail significant impacts or costs (i.e., initial costs of €10 million or more or cumulative costs of €50 million or more over 10 years) are subject to a so-called “full RIA,” which involves a significantly more detailed analysis of the costs and benefits of the proposed legislation as well as a formal consultation process with all affected parties.

*Needs analysis*

Score: 7

Both screening and full RIAs require consideration of the purpose of and need for regulation. The guidelines for the implementation of a screening RIA, which are issued by the Better Regulation Unit of the Department of the Taoiseach, mandate that the RIA explicitly state the objectives of a proposal and consider it against a “do nothing” benchmark, thereby providing justification for the need for legislative action. When it comes to full RIAs, the guidelines require a more detailed elaboration of the proposed

regulation's purpose as well as the analysis of the regulation in comparison to a do nothing benchmark and at least two other options. Thus, in Ireland, a RIA requires that the purpose and need for a proposed regulation be stated in a clear and specific manner.

*Alternative options*

*Score: 8*

The Better Regulation Unit of the Department of the Taoiseach has reported high levels of departmental compliance with RIA requirements since they were mandated by the Cabinet in 2005. The 2006 Annual Reports of Government Departments/Offices contained details on legislation and regulations published during the year under review and how RIA was applied in such cases. However, owing to the system's relative novelty, it is perhaps premature to draw any conclusions regarding the system's effectiveness.

#### Societal consultation

*Mobilizing public support*

*Score: 9*

A neo-corporatist approach to governance has characterized Irish politics since the 1987 signing of the Program for National Economic Recovery (PNER). This program was a relatively modest agreement based on annual wage increases of 2 percent and supported by a series of government commitments to stimulate employment, to broaden the tax base, to permit lower taxation of workers' earnings, and to improve social protections.

This PNER approach has focused key areas of Irish policy on broad strategies agreed to in tripartite "social partnership" agreements. The economic growth experienced in the mid- to late 1990s solidified this tradition. Furthermore, a noteworthy trend in social partnership agreements has seen their terms of reference expanding from macroeconomic policy parameters to include an ever-widening range of social issues. This, in turn, has led to the inclusion of interest groups apart from those representing the interests of unions, farmers and employers, and it has seen the inclusion of groups from the community and voluntary sectors in negotiations. The PNER was followed by successive agreements of ever-increasing complexity and scope, as is indicated by their commitment to ambitious targets for economic growth, investment in education and health care, social inclusion and action to promote enterprise, and employment through the maintenance of an innovative and competitive business environment.

The latest such agreement – entitled "Towards 2016" – was agreed to in June 2006.

The implementation of full RIAs has succeeded in improving the rapport between elected officials and the electorate because it mandates a formal consultation process including all the relevant stakeholders. In practice,

government associations and related interest groups typically enjoy close association. The 2004 government white paper entitled “Regulating Better” indicated a desire to further broaden consultative procedures involved in Irish regulation.

### Policy communication

*Coherent communication*  
Score: 8

Article 28.4.2 of Ireland’s Constitution provides that “the government shall meet and act as a collective authority and shall be collectively responsible for the departments of state administered by the members of the government.” As a result of this provision, all members of the Cabinet are required to give public support to the government’s position on any given matter. This tendency for the Cabinet to present a united front is further strengthened by the role of the prime minister, who is alone empowered to nominate or dismiss ministers.

Finally, the Government Information Service and the Government Press Office operate under the auspices of the Department of the Taoiseach. Ministries also have their own press departments and press officers. These offices occasionally release contradictory statements, the most frequent of which involve figures inconsistent with those released by the Department of Finance. However, such instances are relatively rare in Irish politics owing to the existence of provisions for collective responsibility and the power of the prime minister mentioned above.

## B Resource efficiency: implementing policies

*Legislative efficiency*

*Veto players*

	<i>Total</i>	<i>Share</i>
Bills envisaged in the government’s work program	117	
Government-sponsored bills adopted	106	90.6 %
Second chamber vetos	0	0 %
Head of state vetos	1	1.15 %
Court vetos	1	1.15 %

### Effective implementation

*Government*

During the period under review, the political and economic environment were favorable to the government’s realization of its objectives. The

*efficiency**Score: 7*

unexpectedly favorable economic situation – with revenue consistently outstripping projections over the last four budgetary periods – contributed to the government’s success rate, as did the fact that the Fianna Fáil/Progressive Democrat government held a clear majority of seats in the House of Representatives.

A study of the extent to which the governing parties’ manifesto pledges were fulfilled in the period from 2002 to 2007 found that approximately 70 percent were either fully or partially fulfilled, a rate that compares favorably against previous studies in Ireland and in other countries, such as the Netherlands and the United States. The United Kingdom was found to have a higher level of pledge fulfillment (approximately 85 percent).

*Ministerial compliance**Score: 9*

The Irish political system provides significant incentives for its ministers to implement the government’s program. The principal organizational device limiting the capacity of an individual minister to act in his or her own interest rather than implementing the government’s program is the prime minister’s power to both appoint and dismiss ministers at his or her discretion. Furthermore, ministers do not possess an individual power base that would allow them to challenge governmental authority.

While Ireland’s coalition agreements for government are rather vague when compared to those in some other European countries, ministers are also bound by the terms of long-term “social partnership” agreements between the government and business, union, farmer and other key interest groups. Cabinet meetings, which oblige ministers to seek the Cabinet’s approval for departmental decisions and initiatives, as well as the constitutional obligation for collective cabinet responsibility, further hamper ministers from failing to implement the government’s program.

Nevertheless, it must be said that the nature of the multiseat proportional representation electoral system generates intense competition between candidates – even within a party – and encourages ministers to make decisions about resource allocation on the basis of narrow, local concerns rather than broad, national ones. This consideration ranks high in their objectives throughout their careers as ministers, but “pork barreling” is manifested more in terms of logrolling in Parliament, for example, than in the overt undermining of the government program through a ministerial department. Therefore, it is still fair to say that the institutional setting provides strong incentives to implement the government’s program.

*Monitoring line ministries*

There is a considerable amount of central oversight of the line ministries by the Department of the Taoiseach and the Department of Finance. The minister for finance and his department clearly have a special role in

*Score: 8*

exercising financial control over other departments. The minister of finance is briefed on every proposal that comes before the Cabinet, and prior to this all submissions to the government “must have been presented in advance to the Department of Finance so that that department may include its comments and advice to the government.” After the Department of the Taoiseach, the Department of Finance is clearly the most important ministry. Furthermore, the fact that norms of mutual non-intervention do not apply to it strengthens its power to monitor effectively.

Annotation: Sean Dooney and John O’Toole, *Irish Government Today*. (Dublin: Gill and Macmillan, 1992).

*Monitoring agencies*

*Score: 6*

The proliferation of semiautonomous executive agencies in the Irish governmental system (over 450 such agencies now exist) has led to a diminution in ministerial responsibility and accountability. The ombudsman’s 2006 report criticized low levels of de facto ministerial or parliamentary oversight over such agencies as well as the fact that the ombudsman’s jurisdiction does not extend to the majority of those agencies.

By far the largest so-called “executive agency” in the Irish system is the Health Services Executive (HSE), which is now responsible for a budget equivalent to about 8 percent of GNP. The Ministry of Health does not appear capable of managing and monitoring the HSE effectively. There are other examples of weak central control over executive agencies in other areas, including third-level education and local planning.

*Task funding*

*Score: 7*

Ireland’s intergovernmental division of labor is unitary in nature, and the central government controls a relatively high proportion of activities. Under these circumstances, local government authorities have fewer responsibilities than those in many other European countries. The question of whether local authorities receive adequate funding to carry out their responsibilities is somewhat open to debate, although a recent report (2005) by an independent consultancy agency commissioned by the Department of the Environment, Heritage and Local Government projected that the current rates of funding would not cover projected rates of expenditure for local authorities in the period between 2005 and 2010. In addition, one of the report’s principal recommendations was that there be an increase in the levels of funding attributed to local authorities.

Regardless of whether it is adequate or not, local authority funding has increased dramatically in recent years in line with a generally high level of

economic growth. The Department of the Environment, Heritage and Local Government's 2006 annual report indicated that local authority funding had grown from €2.45 billion in 2000 to €4.25 billion in 2006 and that there had been increases in both centrally allocated funding and in funding derived from local sources of revenue. Several government-commissioned reports have indicated that the over-dependence on central funding limits both the autonomy and accountability of local governments.

*Constitutional  
discretion*

*Score: 5*

Local governments do not have any “constitutionally prescribed autonomy,” and in comparison with other EU member states, Ireland has a relatively weak system of local government. The fiscal dependence of the local level described above is accompanied by a unique management structure that leads to a sense of political disenfranchisement at this level. In the communities, elected representatives agree on matters of policy that are then executed by a non-elected city (or county) manager and his or her assistants (or civil servants). County managers are appointed by the national local appointments commissioner. Even though the appointment is made after consultation with the city or county in question, this procedure leads to a high degree of central control over local government.

The position of local government in the political system is well illustrated by the fact that elections to local authorities were traditionally at the discretion of the minister for local government and have only recently been placed on a constitutional footing. They now take place every five years at the same times as the elections to the European Parliament.

Annotation: Jürgen Elvert, “Das politische System Irlands,” in *Die politischen Systeme Westeuropas*, edited by Wolfgang Ismayr, (Opladen: Leske+Budrich, 2003), 263–300.

House of the Oireachtas, “Local Government Act 2001,” <http://www.oireachtas.ie/documents/bills28/acts/2001/a3701.pdf> (accessed November 30, 2007).

*National  
standards*

*Score: 8*

Most projects of major public importance in Ireland are decided upon and implemented at the national level. This is true when it comes to policing, the courts, education, health care, social welfare, the primary road network, most major infrastructure projects and other areas, such as tourist promotion. The central government specifies minimum environmental standards, and implementation is largely left in the hands of subnational authorities. This general centralization weakens the role of subnational units of government

and reduces the perceived importance of local democracy.

For those public goods and services that are provided at the local level, monitoring responsibility falls under the auspices of the Department of the Environment, Heritage, and Local Government. Monitoring is typically accomplished by looking at levels of key performance indicators achieved. Recent tribunals of inquiry into local planning practices have indicated that – at least in some local authorities – national transparency standards have not been met.

## C International cooperation: incorporating reform impulses

### Domestic adaptability

*Domestic  
adaptability*

*Score: 9*

Over the past decade, governance structures in Ireland have exhibited a relatively high degree of stability. This stability may be explained by the high levels of economic success since the mid-1990s as well as by political stability. The main adaptation of government structures in response to international developments has been in relation to Ireland's membership in the European Union. EU-wide legislation has been implemented across all government departments, and the Department of Taoiseach now includes a European and international affairs section tasked with coordinating EU issues on cross-cutting policy areas.

With the introduction of parliamentary ethics legislation and rules on party financing and election spending, regulation has become more transparent. Furthermore, following Ireland's participation in an OECD regulatory reform peer-review program in 2000 – 2001, regulatory impact assessments (RIAs) are now required for all new items of legislation and for the transposition of EU directives (see "RIA application" above). This change represents the latest step in a general trend of modernizing public services.

### External adaptability

*International  
coordination  
activities*

*Score: 7*

As a relatively small polity, Ireland's principal role in the international coordination of joint reform initiatives occurs through its membership in the European Union, the OECD and the United Nations. Ireland's policy of military neutrality prevents it from being a member of NATO. Ireland engaged actively in early UN debates on issues such as decolonization and nuclear non-proliferation.

Since the late 1960s, however, the European Union has been the focal point of Ireland's participation in international joint reform initiatives, and Ireland's membership in the European Union since 1972 has led to its participating in arguably the greatest single instance of international joint reform in the modern era.

Moreover, although Ireland may be characterized as being a frequent participant in international coordination activities, its relatively small size prevents it from being an active initiator of larger reform initiatives.

*Exporting reforms*

*Score: 6*

With its small and open economy, Ireland adapts to externalities more often than it exports its policy agendas so as to alter those externalities. In several areas of policy – including research and development, civil service and regulatory reform – Ireland's public policy objectives are typically stated with reference to “market leaders” in these policies in other countries. However, owing to Ireland's recent economic success, some of the newer EU member states have studied its corporate-taxation and labor market policies in the hopes of replicating its success. Although having your policies studied is not the same as actively spreading reform ideas, it does raise the awareness that the country has something to offer, which in itself may induce a more active export policy.

## **D Institutional learning: structures of self-monitoring and -reform**

### **Organizational reform capacity**

*Self-monitoring*

*Score: 5*

Regular self-monitoring does not seem to be a feature of the Irish polity. Rather, reforms are carried out when obvious needs arise. Some of these cases are almost invisible to the outsider. For example, ministerial portfolios can be shifted from government to government, although this may sometimes be for political rather than administrative convenience. Moreover, the Department of the Taoiseach has undergone considerable expansion over the past couple of decades, ministers have more political support staff, and ministries pay far more attention to public relations and communications.

*Institutional reform*

*Score: 6*

Although the structures of government in Ireland have for the most part been highly stable in recent years, there have been some moves toward improving the government's strategic capacity. First, the most recent partnership agreement between the government, unions, farmers and employer's groups (i.e., the “Towards 2016” plan) covers policy over a significantly longer time frame than previous agreements did, which indicates a greater emphasis on

setting long-term policy objectives. Furthermore, strategic capacities have also been improved by the fact that regulatory impact assessments (RIAs) have become mandatory on all proposals for new regulation.

A general drive toward the modernization of public services has witnessed an increased emphasis on strategic planning and capacity in the Irish civil service as well as in the various governmental departments.

## II. Executive accountability

### E Citizens: evaluative and participatory competencies

#### Knowledge of government policy and political attitudes

*Policy  
knowledge  
Score: 9*

Irish citizens are well informed and unusually interested in politics, and political issues are even regular topics for lively discussion in cafes and bars. Since votes are cast directly for candidates on a preferential ballot that can cross party lines, the electoral system provides voters with the maximum degree of influence.

In the absence of a body of studies of Irish citizens' knowledge of government policy across a range of areas, it is difficult to access more detailed aspects of political knowledge. As is the case in most other developed democracies, knowledge of government policies is typically highest where the policy is either salient to the citizen or is attributed high levels of salience by the media or politicians themselves. Under these circumstances, moreover, policy knowledge regarding more technical areas may be somewhat scarce. However, the presence of a free media and the open provision of policy information and strategy by all government departments mean that information on government policy is readily available.

## F Parliament: information and control resources

### Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	166
Number of parliamentary committees	14
Average number of committee members	15
Average number of subcommittee members	-
Pro-government committee chairs appointed	13
Deputy expert staff size	1
Total parliamentary group expert support staff	
Total parliamentary expert support staff	40

*Obtaining documents*  
Score: 5

Ireland strictly adheres to doctrines of collective cabinet responsibility and executive secrecy. While some privacy about Cabinet discussions is usually considered prudent, these doctrines – when applied rigorously – constitute an important constraint on executive accountability. A referendum on cabinet confidentiality, which narrowly passed in November 1997, had the effect of enshrining the doctrine described in the Constitution, while at the same time allowing the High Court (which has the power of judicial review over the government and other public bodies) to authorize disclosure in the case of inquiries by official tribunals. There have also been other related reforms that are gradually moving Ireland from a position of almost total executive secrecy to one of gradual and limited openness.

*Summoning ministers*  
Score: 6

Standing Order 83 of the Irish Parliament states that a committee has the power to summon ministers for hearings. However, the order also states that: “A member of the government or minister of state may decline to attend for stated reasons given in writing to the Select Committee, which may report thereon to the Dáil,” the House of Representatives. The practical power of committees was reduced in 2001, when the High Court ruled that the Parliament did not have the power to set up enquiries that are likely to lead to findings adverse to the good name of individuals not belonging to the House

	of Representatives.
<i>Summoning experts</i>	As with governmental ministers, the standing orders of the House of Representatives indicate that committees may summon experts to meetings. Experts regularly attend committee meetings and provide testimony and advice to members. Public servants also regularly attend meetings to provide testimony.
<i>Score: 8</i>	
<i>Task area coincidence</i>	Since 1997, the principle underlying the committee structure of Ireland's Parliament has been that the structure should closely match that of government departments, with there being (more or less) one committee per government department. However, given the fact that a vote in the legislature can overturn committee decisions, the extent to which committees are de facto effective monitors of their various ministries is somewhat questionable. The composition of these committees (all of which have a majority of government TDs) means that an anti-government decision is highly unlikely in any case.
<i>Score: 8</i>	
<i>Audit office</i>	The relationship between the audit office and the Parliament is laid out in Article 33 of the Irish Constitution, which states that the comptroller and auditor general shall: "control on behalf of the state all disbursements and ... audit all accounts of moneys administered by or under the authority of the Parliament"; "be appointed by the president on the nomination of the House of Representatives"; and "report to the House of Representatives at stated periods as determined by law." The results of audit activity are reported to the House of Representatives in two main ways: through audit certificates/reports that give an audit opinion on the accuracy of the financial statements/accounts, or through reports on the financial management of individual entities and other matters likely to be of concern to House of Representatives. The comptroller and auditor general also attends meetings of the Public Accounts Committee as a permanent witness and reports from the audit office form the basis of enquiries by the Public Accounts Committee. Since the comptroller and auditor general is completely independent, he or she forms the perfect device for parliamentary scrutiny of the executive.
<i>Score: 10</i>	
<i>Ombuds office</i>	There are various ombudsmen (e.g., for the defense forces and, more recently, for the interests of children), but there is no ombuds office within Parliament.
<i>Score: 6</i>	

Annotation: The score awarded here reflects the situation described by the experts in their written assessments and is therefore higher than the scores

they provided individually.

## G Intermediary organizations: professional and advisory capacities

### Media, parties and interest associations

#### *Media reporting*

*Score: 9*

The dominant TV and radio institution is the state broadcaster, RTE, which produces a relatively high level of coverage on government policies and decisions as well as a selection of entertainment programs. Apart from frequent news bulletins, information on government policy is typically presented in terms of a debate among the relevant actors and will typically include contributions from a diverse range of interested parties, many of whom will be critical of these decisions. Furthermore, government spokespersons will explain and defend most major government policy decisions in the media.

In addition, there are privately owned TV and (even more so) radio stations that obtain licenses from the state subject to a pledge to devote a specified amount of airtime to current affairs and public-service programming. All of this ensures that those who wish to be informed have a high level of awareness of political issues and government decisions.

#### *Fragmentation*

#### Parliamentary election results as of 5/17/2002

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
Fianna Fáil	FF	41.5	48.80
Fine Gael	FG	22.5	18.68
Labour Party	Lab	10.8	12.65
Progressive Democrats	PD	4.0	4.82
Green Party	GP	3.8	3.61
Independents (14)		9.5	8.43
Sinn Féin	SF	6.5	3.01
Others		1.4	0

*Party  
competence*

*Score: 8*

Party electoral platforms focus almost exclusively on socioeconomic outcomes and, as a result, are focused toward practical policies designed to achieve desired outcomes. The main policy proposals are subjected to careful analysis in the media and must consequently be rather realistic. Thus, it is fair to say that electoral programs in Ireland are reasonably plausible and coherent.

*Association  
competence*

*Score: 9*

The principal policy contributions of interest groups in Irish politics have occurred through their participation in a series of neo-corporatist “social partnership” agreements dating back to 1987. These agreements have all been preceded by a report from the National Economic and Social Council (NESC), an advisory board composed of employers, trade unions, farmers and senior civil servants. NESC reports typically comprise an analysis of the operation of previous reports as laying down the parameters within which the next partnership agreement will be negotiated. By virtue of their participation in this process, the principal interest groups may be characterized as proposing reasonable policy positions on most issues.

*Association  
relevance*

*Score: 8*

According to the neo-corporatist mechanism described under “Association competence,” the government considers interest associations as being relevant. In addition, the tradition of lobbying by interest associations and professional groups is well established in Ireland. Over the years, organizations representing the agricultural and industrial sectors have had significant policy input. Organizations representing professions ranging from pharmacists to lawyers make well-argued cases for regulations that serve their members’ interests. A prominent, recent example of the impact that pressure groups can have on policy-making is the success that advocates of policies to alleviate poverty have had in gaining attention and bringing about a related policy agenda that has been taken into account in successive government budgets.

This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at [www.sgi-network.org](http://www.sgi-network.org)

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