



Ireland Report

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Sustainable Governance
Indicators 2016

Executive Summary

During the period under review, the pace of the Irish economic recovery accelerated. Its strength and speed have taken commentators by surprise and facilitated the over-achievement of most of the government's fiscal and economic targets. The deficit has fallen sharply, the level of employment is now close to its pre-recession peak and the unemployment rate is likely to be below 9% by year-end. While there are some fears that the reported exceptionally high rate of growth is somewhat distorted by how multinational corporations are treated in the Irish national accounts, there can be no doubting that the recovery has been robust.

The government elected in 2011 will complete its full term of office; the next general election being held on 26 February 2016. The symbolism of leaving office with a booming economy just a month before the centenary celebrations of the Easter 1916 Rising, which led to the eventual independence of the country in 1922, is already being highlighted.

The 2016 budget marked a clear move away from years of austerity, which had been characterized by tax increases and expenditure retrenchment. The new budget contained significant reductions in the income tax burden on lower and middle income earners as well as modest increases in social welfare and other current spending. These measures are widely regarded as an effort to influence the electorate in the lead up to the general election. Despite some criticism that they were too expansionary and procyclical for an already rapidly growing economy, the budget does comply with the fiscal rules contained in the EU Stability and Growth Pact.

The tax and spending changes introduced in the recent budget reinforce the progressive nature of the Irish tax and welfare systems. They make a modest contribution toward addressing some of the issues around deprivation and social exclusion that have figured in recent public debate.

The optimal allocation of credit toward the improvement of the economic situation was undoubtedly shaped by both good policy decisions and favorable external conditions, including the weakness of the euro, the collapse of energy costs, the persistence of historically low interest rates, and a strong inflow of foreign direct investment.

Since 2013, the coalition government has made further progress in implementing its public service reform program, although the pace of change has slowed somewhat. In addition, the large “yes” vote in the referendum on same-sex marriage and the subsequent enactment into law of the Marriage Equality Act represent a notable constitutional landmark. However, on the reform of the Seanad (Senate), promised in the aftermath of the defeat of a 2014 referendum on its abolition, there has been no progress.

Some progress was made toward fulfilling electoral promises of improving access to medical care. The government introduced free general practitioner services for children up to age 12 and for adults over 65. However, as has been the case for several years now, difficulties in the effective delivery of public health services as well as the contrast between the public and private health systems persist and continue to provoke discontent. In 2015, some of the revenue buoyancy resulting from accelerating economic growth was devoted to plugging health budget gaps, but the underlying structural deficiencies in the public health system remain unaddressed.

The government has maintained legislative momentum. The Companies Act 2014, which commenced in June 2015, is one of the most complex pieces of legislation ever passed by the Irish parliament. In the area of corporate taxation, the government began addressing abuses of the Irish tax system which, while attractive to foreign investors, have been criticized internationally. Some of the more egregious loopholes have been closed and a start made toward greater international cooperation and exchange of information on the tax affairs of the large multinational companies operating in Ireland.

A major problem that remained unresolved during 2015 is the challenge of implementing an effective system of water charges. It appears that, at most, 55% of liable households have paid their assessed liability; despite a major weakening of the tariff structure, resistance to compliance remains strong and vociferous.

Key Challenges

Despite the dramatic improvement in the economic and fiscal situation during 2015, as a small open economy, Ireland remains very vulnerable to external shocks – which could quickly provoke a sharp downturn. Among the risks are a slowdown in global growth, a falloff in the inflow of foreign direct

investment and in the profits attributed to the Irish subsidiaries of large multinational companies, renewed tensions in the euro zone, and a strengthening of the euro on foreign exchanges. The uncertainty created by the United Kingdom's potential exit from the European Union ("Brexit") also raises serious issues for Ireland. Finally, there is a risk that fiscal policy has been too expansionary for the already rapidly growing economy; the windfall nature of the current surge in tax revenue being received from multinationals needs to be more clearly acknowledged.

Ireland has to be particularly alert to mounting international pressure for greater transparency in the way in which large multinationals arrange their tax affairs and criticism of the mutually attractive agreements that are reached between those corporations and national tax authorities. As such, a proactive response to the OECD's report on base erosion and profit shifting is imperative for maintaining Ireland's reputation as a stable country in which to do business, rather than merely a convenient link in a chain of tax avoidance. Similarly, the recent European Court of Justice decision on the obligation of the Irish Data Protection Commissioner to investigate a complaint brought against Facebook, whose European headquarters are in Dublin, highlights the need to take the obligations that come with hosting major firms more seriously.

Even as the Irish economy has improved, some social problems have become more acute. The recession brought a halt to housing construction, but the recovery has created a strong demand for new units, especially in the Dublin region, that cannot be met in the short run. The result has been a rapid escalation in home prices and rents, acute shortages of affordable housing in key locations, and a rise in homelessness. While the Central Bank of Ireland has prudently introduced restrictions on mortgage lending to avert a recurrence of the boom and bust cycle of the recent past, this has made it even more difficult for younger couples to get a foothold in the housing market. Designing and implementing policies that will stimulate an increased supply of housing over the medium term has thus become a crucial challenge.

There is some evidence of increasing inequality and a rise in social exclusion. The recent tragic deaths of ten members of the Travelling Community due to a fire in their "halting site" accommodation has revealed how large the gap is between this minority and the main Irish population.

Completing the introduction of domestic water metering and charges as well as structuring the Irish Water company as a commercial semi-state company (rather than part of the government) are ongoing challenges that need to be resolved sooner rather than later.

Despite the positive economic developments, and the progress that can be claimed in public sector reform and other areas, the popularity of the coalition parties remains low and the political landscape fragmented. The most recent opinion polls suggest that Independents have retained the gains they recorded in the last general election and in by-elections. They have made some progress in consolidating into parliamentary groupings. The combined support for the coalition parties – Fine Gael and the Labour Party – did not rise in the wake of the recent budget and remains at only 37%. Current polling suggests that complicated negotiations between the coalition parties, Fianna Fáil and the Independents will be required to form a government after the forthcoming general election. Considerable attention centers on a possible role in the formation of a new government for Sinn Féin, whose support in the polls is running at 16%. Sinn Féin has engaged in tentative discussions with the left-wing parliamentary grouping regarding possible collaboration in the general election.

Forming a cohesive government after the next general election will be a formidable challenge for the successful candidates, but even maneuvering for post-election advantage will not derail the broad thrust of the country's social and economic policy in the interim.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 8

Following Ireland's exit from the Troika bailout regime at the end of 2013, recovery got underway during 2014, with real GDP growing by 5.2%. An increase of 6.2% is forecast for 2015. These high growth rates have boosted tax receipts and contributed to reducing the General Government Balance to -2.1% of GDP in 2015.

The 2016 budget marked "the end of austerity" by making significant reductions in direct taxes and raising some welfare payments, including the child benefit. It also introduced some supplementary increases in spending for 2015, notably in the health sector. These had the effect of increasing the base used by the European Commission in calculating the increase permissible in 2016 under the EU Expenditure Benchmark. Even when these expansionary measures are taken into account, the fiscal deficit is forecast to fall to 1.2% of GDP in 2016 and the debt-to-GDP ratio to decline to 93%. If these forecasts prove accurate, Ireland will make the progress required under the rules of the Stability and Growth Pact toward the Medium-Term Budgetary Objective (MTO) of a balanced structural budget.

The rapid improvement in the fiscal situation has been aided by the continuation of several favorable external developments, such as the fall in the euro exchange rate against the dollar and sterling, lower imported energy costs, relatively rapid growth in US and UK markets that are particularly important for Irish exporters, and the continued low interest rate environment in the EU. International financial markets rapidly revised their view of the Irish economy as growth resumed and now show confidence in the soundness of Irish fiscal policies, as reflected in the fall in the yield on long-term government debt, which peaked at over 12% in mid-2011, to 1.2% in 2015.

A high level of inward investment by multinationals and strong export performance by these firms were also important factors in the Irish recovery. The most serious criticism of current Irish economic policy is that the combination of favorable external developments listed above is being built into forecasts of economic growth and revenue buoyancy. According to this criticism, not enough of the fruits of the present growth spurt have been devoted to debt reduction, with too much used for increased spending and tax reductions that could prove difficult to sustain in the event of an adverse external shock.

Citation:

Budget 2016 and related background documents are available here:

<http://www.budget.gov.ie/Budgets/2016/Documents/Budget%20Book%202016%20-%20full%20document.pdf>

Labor Markets

Labor Market
Policy
Score: 6

Ireland's rapid economic growth in 2014 and 2015 has been reflected in an improving labor market situation. From a peak of 15% in 2012, the unemployment rate fell to 9.4% in late 2015 and is forecast to decline further to just over 8% during 2016. By 2015, the outflow due to net emigration had fallen to two-thirds of its 2012 peak. It is likely that during 2016 net immigration will again be recorded. The number of employed has risen by 6 percentage points since the 2011 trough and are likely to surpass the 2007 (boom year) peak in 2016. Moreover, the composition of the labor force has shifted significantly away from relatively low-skill construction work toward higher-skill service and advanced manufacturing jobs.

While the continuing high level of long-term unemployment remains a serious concern, the number of unemployed out of work for a year or more has fallen by 42 percentage points from the peak at the beginning of 2012. Similarly, the number of unemployed among the population aged 15 to 24 in the labor force peaked in mid-2012 and by mid-2015 had declined by almost one-half.

Some active labor market strategies, such as making unemployment support payments increasingly contingent on evidence of active job search, have contributed to these favorable developments. However, there have been no dramatic changes in dismissal protection or collective bargaining agreement procedures. In addition, the present government restored earlier cuts in the minimum wage. On balance, therefore, the evidence points to a return to rapid economic growth as the main factor behind the improvement in labor market outcomes.

Citation:

A recent study shows that Irish training programs for the unemployed have been moderately effective.

“The Impact of Training Programme Type and Duration on the Employment Chances of the Unemployed in Ireland” by Seamus McGuinness, Philip J. O’Connell, Elish Kelly, *Economic and Social Review*, Vol. 45, No. 3 (Autumn 2014).

Taxes

Tax Policy
Score: 7

The goal of fiscal consolidation has had to be given a high priority in formulating tax policy over the recent years. The burden of direct taxation was increased after the country’s financial collapse and a new local property tax was introduced in 2012.

In view of the rapid improvement of the country’s fiscal situation, and the prospect of a general election within five months, it was hardly surprising that the 2016 budget contained no tax increases (apart from a rise in the excise on tobacco products) as well as a significant reduction in the Universal Social Charge, which is levied in addition to income tax. Incomes over €70,000 will not benefit from this change, which further increases the progressiveness of this levy. After the budget reforms are implemented, it is estimated that the top 1% of income earners will pay 21% of all income tax, while the bottom 76% of income earners will pay only 20% of the total. The new local property tax is steeply progressive with respect to property values.

The openness of the economy and relative ease of cross-border shopping and smuggling dictate that the main indirect taxation rates be aligned fairly closely with those in the United Kingdom.

The indirect tax system is less progressive than the income tax and property tax systems, and weigh relatively heavily on those in the lowest deciles of the income distribution. This is due, to a significant extent, to the heavy excise taxes on alcohol and tobacco products, expenditure on which looms relatively large in poorer households’ budgets, as well as to the larger proportion of income saved by those on higher incomes.

Ireland has long relied on a low corporate tax rate as an instrument to attract foreign direct investment (FDI). This policy has been highly successful and is supported across the political spectrum. However, it has attracted an increasing volume of hostile comment from critics in foreign jurisdictions who assert that some features of the way Ireland taxes corporations constitute “unfair” competition and encourage profit shifting by multinational corporations. The OECD published a detailed report on this topic in October 2015. In an initial

response to this report, Budget 2016 introduced a requirement that multinationals with Irish parent companies must file country-by-country reports on their income, activities and taxes beginning 1 January 2016. This information may ultimately be confidentially shared with foreign tax authorities.

In October 2015, the European Commission delivered long-awaited judgments ruling that the tax deals between the Netherlands and Starbucks as well as Luxembourg and Fiat constituted illegal state aid. The Irish authorities are anxiously awaiting a judgment in a case on Ireland's tax treatment of Apple.

Citation:

Budget 2016 contains an annex that discusses the progressiveness of the Irish tax and welfare system in some detail:

<http://www.budget.gov.ie/Budgets/2016/Documents/Budget%20Book%202016%20-%20full%20document.pdf>

The conclusion is reached that "it is evident that, compared to other countries, the Irish tax and welfare system contributes substantially to the redistribution of income and a reduction in market income inequality. The income tax system is more progressive relative to comparator countries with the tax burden from income tax and USC falling in large part on households with the highest incomes."

See also Donal De Buitléir,

<http://www.publicpolicy.ie/wp-content/uploads/Budget-2013-Progressivity-of-Irish-Income-Tax-System1.pdf>

Michael Collins

<http://www.nerininstitute.net/research/total-tax-estimates-for-ireland/>

For a review of how the burden of the adjustment during the period of 'austerity' was distributed by income class see

John FitzGerald,

<https://www.esri.ie/UserFiles/publications/RN20140204.pdf>

The OECD report on Base Erosion and Profit Shifting is available here

<http://www.oecd.org/tax/beps-reports.htm>

Budgets

Budgetary Policy
Score: 7

Progress toward correcting budget imbalances has continued to outpace projections. The general government deficit is now projected to fall to 2.1% of GDP in 2015 and 1.2% in 2016.

The most recent data show that the national-debt-to-GDP ratio peaked at 120% in 2013, and this figure is now projected to fall to 90% in 2017. Moreover, this projection does not take into account the gain that is expected to be realized through the sale of the government's stake in the banks taken into state ownership during the crisis.

Ireland's fiscal situation is now considered to be sustainable. Experience over the past three years has confounded the pessimists. It is likely that the country's adjustment will come to be regarded as an example of successful "expansionary austerity."

Leaving aside the ever-present possibility of adverse external shocks, the main risk now facing the Irish economy is that the government's recent increasingly expansionary budgets will lead to overheating as the slack in the economy is used up and internal inflationary pressures intensify.

Citation:

For projections of Ireland's national debt see:

<http://www.ntma.ie/business-areas/funding-and-debt-management/debt-profile/debt-projections/>

Research and Innovation

R&I Policy
Score: 7

While government policy is supportive of research and innovation by indigenous firms, the most striking success of Irish industrial policy has been in attracting foreign-owned firms in high-tech sectors to Ireland. This trend continued during the economic crisis. Indeed, the inflow of foreign direct investment in the IT and pharmaceutical sectors contributed significantly to the economy's strong recovery. The location of these firms in Ireland has created opportunities for innovative small Irish firms to develop technological inputs to supply them.

Ireland's overall information and communication technology (ICT) readiness continues to lag behind most other northern and western European countries as well as Israel. Nonetheless, the World Economic Forum's Competitiveness Report for 2014 ranked Ireland 12th worldwide in terms of "technological readiness," a rise from 17th place in 2012. This rank was maintained in the latest (2015) report.

The so-called double Irish tax facility, which provided significant tax incentives for multinational companies to attribute intellectual property income (wherever its origin) to their Irish subsidiaries, was abolished in the 2015 budget in order to avert EU penalties over illegal state aid to industry. In the 2016 budget, the minister for finance announced some details of a new "knowledge box" scheme that will partially replace this facility. This will provide a 6.25% corporate tax rate on profits arising from "certain patents and copyrighted software which are the result of qualifying R&D carried out in Ireland." It is clear that the Irish government intends to remain in the forefront in the competition to attract R&D-intensive investment.

Stabilizing
Global Financial
Markets
Score: 6

Global Financial System

Ireland's situation as a member of the euro zone and of the European banking system needs to be taken into account. This has involved substantial surrender of national sovereignty and autonomy in financial policy to the European Central Bank (ECB).

Ireland received only marginal relief on the debt burden it incurred to avert a European-wide banking crisis in 2008. However, in September 2014, euro zone finance ministers agreed to allow Ireland to refinance its debt based on its dramatically improved credit rating. This enabled it to use funds raised on the international bond market at interest rates near 2% to retire IMF debt carrying interest rates of close to 5%.

From the evidence presented at the public hearings of the Oireachtas Banking Inquiry in the course of 2015, it is clear that the ECB pressured Irish authorities not to "bail in" the bondholders of Irish banks that had failed. The motivation for this was to avert impairment of the balance sheets of German and French banks, which were significant investors in these Irish banks. It has been argued that the ECB exceeded its authority in pressuring one country to bear the cost of shielding banks in other euro zone countries from the consequences of their imprudent investment decisions. Jean Claude Trichet, the then president of the ECB, refused to give direct evidence to the Inquiry on the grounds that the ECB is accountable to the European Parliament and not to national parliaments. He did, however, take questions from members of the Inquiry and defended his 2008 actions at a public lecture he delivered in Dublin in April 2015. It will be interesting to read the Inquiry's commentary on this issue when its final report is published in early 2016.

A posthumous biography of or tribute to the man who was Minister for Finance in 2008 sheds light on the interaction between Ireland and the European institutions during the banking crisis:

Brian Lenihan in *Calm and Crisis* edited by Brian Murphy, Mary O'Rourke and Noel Whelan, Irish Academic Press 2014

II. Social Policies

Education

Education Policy
Score: 6

The evidence indicates that the Irish education system is average or slightly above average by western European standards. The most-frequently voiced concerns relate to levels of mathematics skills and lack of proficiency in

foreign languages, as well as an overemphasis on the Irish language.

Some employers claim that the output of suitably qualified and skilled graduates from the second and third levels of the education system is inadequate, especially in the high-tech areas. Nonetheless, many firms that invest in Ireland list the quality of the education system and the skills of the labor force among the principal attractions for relocating here.

The fairness of the allocation of public resources for education is open to question. The resources allocated per pupil or student increase steadily the higher up the educational scale one goes, but access becomes more dependent on social class.

The two-tier structure of the secondary education system is controversial. A minority of pupils (about 10%) attend fee-paying schools where state support is augmented by the revenue from fees that can amount to €6,000 a year. These schools are socially exclusive and achieve higher academic results and higher progression rates to tertiary education than non-fee-paying schools. It is argued that the state should not subsidize institutions that perpetuate inequality in the education system. Most of these schools face excess demand for places, and have come under pressure to establish more transparent and equitable criteria for selection of pupils for entry.

Irish students at tertiary institutions are not charged fees for most undergraduate courses. However, the “student contribution” charged rose from €2,500 in 2014 to €3,000 in 2015.

Teachers’ and university lecturers’ salaries are relatively high in Ireland by international standards. However, class sizes tend to be large and the education system is somewhat biased toward lower-cost areas, such as liberal arts, law and business studies, and away from higher-cost areas, such as engineering and science.

Social Inclusion

Social Inclusion
Policy
Score: 6

During the recession, Irish social and economic policy continued to place a high priority on poverty reduction. The poorest groups in society were protected from the worst effects of the recession. Although the rise in the unemployment rate and the fall in the employment rate drastically reduced household income for many, the real value of the principal social welfare payments has been protected in successive budgets since 2008 over a period when the take-home pay of those in employment fell significantly. Public spending on social protection rose to a peak of 11.0% of GDP in 2011, but has

fallen to 9.4% in 2015 as economic growth resumes and the unemployment rate falls. However, the aging population structure continues to push up the cost of the state pension scheme.

Recent budgets have made no significant changes to the structure of the system of social protection. The most recent published results of the EU Survey on Income and Living Conditions (SILC) show that while the incidence of poverty rose from 14.1% in 2009 to 16.5% in 2012, it fell to 15.2% in 2013. However, the incidence of consistent poverty rose from 5.6% in 2009 to 7.7% in 2012 and continued to rise, to 8.2%, in 2013.

The incidence of homelessness is on the rise in the country's principal cities and towns. The virtual cessation of residential construction since the crash of 2008 combined with a recovery in house prices and rents since 2013 have made affordable housing increasingly difficult to obtain, especially in the Dublin area. The government responded to the growing public concern about these problems by increasing the 2016 budget allocation to social housing and asking the National Asset Management Agency (NAMA) to rise to the challenge of providing 20,000 new residential units from its resources by 2020. However, many have been disappointed by the scale of this response relative to the magnitude of the problem.

The housing problem combined with the social exclusion facing the Traveller Community were illustrated in a tragic fire at a "temporary halting site" in the Dublin area in October 2015, ten people (including five children) lost their lives. In the 2016 budget, first steps were taken to restore the funds available for the education and support of people with intellectual disabilities that had been cut during the crisis period.

Health

Health Policy
Score: 5

Quality:

The public perception of the Irish public health system remains very negative due to the publicity received by numerous cases of negligence, incompetence and lack of access. However, objective indicators of health outcomes are relatively good in Ireland and continue to improve. This despite the increased level of obesity, problems with excessive alcohol consumption, continuing fairly high levels of smoking and the pressure on health budgets.

The length of waiting lists for many hospital procedures and the number of hospital patients who have to be accommodated on "trolleys" (or gurneys) continue to be serious problems and attract vociferous negative publicity. Monthly data are now published on these waiting lists by the Health Services

Executive; their reduction has been (repeatedly) declared a government priority.

Inclusiveness:

The Irish health care system is two-tier, with slightly more than half the population relying exclusively on the public health system and the rest paying private insurance to obtain quicker access to hospital treatment. However, the rising cost of private health insurance is leading to a steady increase in the number of people relying on the public system.

The introduction of universal health insurance had been declared a government priority, but in October 2014 the newly appointed minister for health expressed his opinion that this target was “too ambitious” to be achieved over the coming five years. During 2015, however, general practitioner care was made available free of charge to those in the population under 6 and over 70, regardless of income. In the 2016 budget this was extended to all children under the age of 12. This latest budget also significantly increased the funds available to the public health system, although cost overruns and financial strains will undoubtedly continue to plague the system.

Cost efficiency:

The Irish health system is costly despite the favorable (that is, relatively young) age structure of the population. When spending is standardized for the population’s age structure, Ireland emerges as having the third-highest level of health expenditure relative to GDP within the OECD. In several reviews of its “bailout” agreement with Ireland, the Troika expressed concern about continuing overruns in health spending. These have continued since Ireland exited the bailout program.

Citation:

For a recent study of the cost efficiency of the Irish health system see:
<http://www.publicpolicy.ie/wp-content/uploads/HealthSystemIreland.pdf>

Families

Family Policy
Score: 7

The Irish income tax system incorporates the principle of “individualization,” which means that at any given level of combined income, the tax burden is lower on households in which both spouses are employed than in those in which only one spouse is employed.

The income tax code thus generates some incentive for spouses to take up employment outside the home. However, its progressive structure implies that at relatively modest income levels the second partner entering paid

employment faces high marginal income tax rates. Furthermore, the income tax code does not permit the deduction of child care expenses. This, combined with the high cost of child care and the paucity of public provision in this area, has been viewed as a serious obstacle to women combining parenting with employment outside the home. In recognition of this problem, the Early Childhood Care and Education Scheme was significantly extended in the 2016 budget. The minister claimed that children aged three years and over will be able to access free child care until they enter primary school. Parental leave is to be extended to fathers for the first time.

Child benefits, which had been significantly reduced during the crisis, will rise to €135 per child per month in 2016 and €140 in 2017. This will still be significantly below the level in 2009. Also, the benefit does not vary depending on whether the mother is employed outside the home.

Pensions

Pension Policy
Score: 6

The Irish system of pension provision rests on three pillars: a state old-age pension, occupational pensions and individual pension plans. The substantial proportion of the population that is employed in the public sector enjoys relatively generous occupational pension entitlements.

In May 2011, an annual levy of 0.6% was imposed on the value of pension assets. In the 2014 budget, this levy was increased to 0.75%. The levy applied only to private sector pension funds. In the 2016 budget, the minister announced that this levy was being terminated at the end of 2015.

Poverty prevention:

The state pension is not income-related. It provides €20 a month for a fully qualified individual, regardless of previous earnings, with increases for qualified dependents. This is about one-third of average earnings among the employed population. The nominal value of this pension was held constant after the onset of the crisis in 2009, despite the general fall in incomes, and a period of falling prices between 2010 and 2011 and again in 2014. A modest increase (equal to about 1.25%) was announced in the 2016 budget.

Ireland ranks among Europe's best – alongside the United Kingdom and the Netherlands – with regard to the size of existing private pension funds relative to GDP. About 55% of the workforce has made some pension provision for their retirement outside the main state scheme. However, these schemes have come under very severe pressure following the stock market crash of 2007 and the increase in their liabilities due to a sharp decline in annuity rates. The trend of a shift from defined-benefit to defined-contribution schemes is continuing.

Fiscal sustainability:

The state pension scheme is a pay-as-you-go system. Its sustainability depends on the ability of the state to raise the funds required to meet ongoing commitments through taxes and social insurance levies. Although Ireland's population structure is now relatively young, it is aging rapidly. This has led to repeated predictions of a pension-system crisis unless the retirement age is raised significantly and the amount earmarked for pensions from income taxes and social insurance levies is steadily increased.

Pensions for those employed in the public sector were until 2009 almost entirely funded from general tax revenue. Significant changes to the funding of public-sector pensions were made in 2009 and in the Public Service Pensions Act, 2012. These will, over time, make the system more sustainable, but a great deal of further adjustment will be required.

Intergenerational equity:

The recently introduced pension reforms will eventually increase the equity of the Irish pensions system across generations. At present, inequities arise because those in the current generation of pensioners who enjoy the state pension or public-sector pensions did not contribute sufficiently through taxation and direct pension contributions to fund the level of pensions they receive. Those now in the workforce are unlikely to enjoy comparable pension levels when they reach retirement age. Furthermore, the adjustments that have been made to pensions since the crisis of 2008 have been smaller than the adjustments to the after-tax income of those who are in employment.

A package of changes to the rules governing defined benefits schemes was announced toward the end of 2013 and implemented in 2014. This change addresses the situation of underfunded defined-benefit pension schemes that wind up in deficit or elect to restructure. In the past, pensioners could have received all or most of the pension fund, whereas contributing members who had not yet retired received considerably less than expected. The new rules were designed to ensure a more equal distribution of assets under a limited set of circumstances. However, the 2015 application of these new rules by a large scheme is now being challenged in the courts by pensioners.

Citation:

Data on poverty levels among the retired are from the Survey on Income and Living Conditions, 2011 Results:
http://www.cso.ie/en/media/csoie/releasespublications/documents/silc/2011/silc_2011.pdf

Integration

Integration Policy
Score: 7

The large inflow of immigrants during the boom years led to a rapid increase in the foreign-born population resident in Ireland. More than 70% of immigrants to Ireland have the right to reside, work and own property in the country by virtue of their EU citizenship. Despite the resumption of a high rate of emigration among Irish nationals after 2008, inward migration from abroad has continued at a significant rate.

The unemployment rate among non-nationals (especially those from the new EU accession states) is higher than among the native-born population. Many employed immigrants are not in occupations commensurate with their skills and education.

The inflow of families from non-English-speaking countries in the last 10 years has placed a strain on the education system. Additional resources have been provided to help cope with this challenge, but these are not regarded as adequate. There are signs of increasing gaps between schools in relatively deprived areas of the main cities, which often have high concentrations of children holding non-Irish citizenship, and schools in the more affluent areas with lower concentrations.

Forced integration is not an issue, although some ethnic and religious minorities face difficulties in a country that is still overwhelmingly Irish, while their children face problems in a school system that is still largely under Roman Catholic management. The treatment of asylum seekers by the Irish authorities came under critical scrutiny in the course of 2014, with adverse attention drawn to the system of “direct provision,” which is intended to provide for the welfare of asylum seekers and their families as they await decisions on their asylum application. It provides essential services, medical care, accommodation and board, with three meals per day provided at set times. Attention has recently been focused on the poor standards of accommodation and living conditions in the facilities serving this population, as well as the enforced isolation of families waiting for as long as seven years to learn of a decision on their asylum applications.

During 2015, Ireland has not been affected by the growing immigration/refugee crisis in much of Europe. Ireland has agreed to accept some immigrants/asylum seekers from Syria and other war-torn countries before the end of the year. There is no explicitly anti-immigrant political party in Ireland and immigration is not likely to be a prominent issue in the 2016 general election.

Safe Living

Safe Living
Conditions
Score: 7

Overall, Irish crime rates are relatively low by international standards. However, property crime rates have risen in the last few years and over the past decade there has been an increase in “gangland” crime, including murders involving firearms. The low detection and conviction rates for these crimes are disturbing.

The main police force remains unarmed and, despite a recent fatal shooting of an on-duty police officer, there is no widespread clamor to arm the force. It enjoys a good relationship with the majority of the population, although tensions exist in certain areas and with certain social groups. Continuing evidence of serious deficiencies in the administration of “penalty points” for driving offenses has had a significant negative impact on the public image of the police force.

Cross-border policing cooperation between the Republic of Ireland and Northern Ireland remains good, although the existence of a long land border is an inherent obstacle to effective law enforcement. It is widely acknowledged that paramilitary crime and racketeering are unacceptably high in the Northern Ireland/Republic of Ireland border areas.

Global Inequalities

Global Social
Policy
Score: 8

Despite the austerity measures that have been taken to correct the imbalances in public finances, Ireland has maintained its spending on overseas development assistance in the region of 0.5% of GDP since 2008. There is a special focus on countries in Sub-Saharan Africa and on poverty eradication, ending hunger and encouraging gender equality, good governance and human rights.

Ireland has consistently supported an international agenda that advances social inclusion. Its support for a fair global trading system is constrained by the overriding role of the European Union in framing trading policy and to some extent by concerns about domestic self-interest with regard to certain sectors, including farming.

III. Environmental Policies

Environment

Environmental
Policy
Score: 7

Climate Policy:

In 2013, the government published a draft Climate Action and Low Carbon Development Bill. A commitment to producing up to 40% of the country's energy from renewable sources is being implemented, relying heavily on the construction of wind farms. During 2015, progress was made toward attaining these targets.

Ireland is a world leader in carbon-efficient agriculture and food production. At a EU summit in October 2014, Ireland argued strongly for concessions in its carbon-emission reduction targets outside the Emission Trading System, because its agricultural sector (dairy farming in particular) produces almost half of the country's carbon emissions. The country's negotiators claimed that displacing this production from Ireland to countries outside the EU would ultimately result in higher global emissions.

During 2015, it was announced that the ban on smoky bituminous fuels, which had been progressively extended to the main cities and towns since 1990, will be applied countrywide by autumn 2018.

Renewable water resources:

In 2000, Ireland signed the EU Water Framework Directive into law. Article 16 of that directive requires the introduction of charges for domestic water. Full implementation of this measure was included in the Troika Agreement with Ireland. To this end, Irish Water (Uisce Eireann) was incorporated in July 2013 as a semi-state company under the Water Services Act 2013. The company is charged with bringing the water and waste-water services of 34 local authorities together under one national service provider, which will subsequently be responsible for public water services including the management of national water assets and making capital and investment decisions regarding the country's water infrastructure. Irish Water is accountable to the Commission for Energy Regulation (CER) and the Environmental Protection Agency (EPA).

The installation of domestic water meters began during 2014 and, despite pockets of fierce, sometimes violent, local opposition, is now more than three-quarters complete. Very heavy up-front costs were incurred, while significant

savings relative to the inherited situation have yet to be achieved. The proposed structure of the domestic water tariffs, which became the focus of a major political storm and fierce public protests, has been repeatedly revised. The water charge element has been greatly attenuated, so that the levy is now little more than a property tax surcharge and provides only weak incentives for conserving water usage. Toward the end of 2015 it appears that less than two-thirds of liable households have paid any water charges.

Finally, in 2015, Eurostat ruled that the mechanisms proposed by the Irish government to fund Irish Water did not meet the criteria for classifying it as a commercial company. As a result, for national accounting purposes, its budget must be included in the public-sector budget (for further details see our section on Policy Communication).

Forest area:

Significant grants for increasing the proportion of the territory under forestry have been in place for some time. The state-owned forestry service operates forests that now cover about 7% of the country's land area. The privatization of the harvesting of some of these forests was recommended in the Troika agreement but now has been shelved in response to concerns about the potentially adverse effects on the amenity value of these lands assets. Increased afforestation has been proposed in exchange for leeway on the emissions from the Irish dairy sector.

Biodiversity:

Ireland is broadly compliant with EU directives on biodiversity, and engages in enforcement measures to protect wildlife and flora. An extensive rural environmental protection scheme has sought to encourage farming in a sustainable and environmentally sensitive manner. In addition, a large number of protected areas have been designated.

Citation:

Climate Action and Low Carbon Development Bill 2015
<http://www.oireachtas.ie/documents/bills28/bills/2015/215/b215d.pdf>

For an update on Ireland's progress in regard to renewable energy see
http://www.seai.ie/Publications/Statistics_Publications/Energy_in_Ireland/Energy-in-Ireland-1990-2013-report.pdf

The latest data on emissions, etc. are contained in an EPA factsheet:
http://www.epa.ie/pubs/reports/indicators/epa_factsheet_waste_v2.pdf

Information on the National Biodiversity Data Centre is available at:
<http://www.biodiversityireland.ie/>

The coverage of protected areas is set out in:
<http://www.npws.ie/protected-sites>

Global Environmental Protection

Global
Environmental
Policy
Score: 7

Ireland's environmental policies are largely framed within an EU context. The Irish Taoiseach (prime minister) attended the UN Climate Summit in New York in September 2014, and stated during his speech that "Ireland will play its role as part of the EU contribution to the global effort. The EU is committed to bringing forward its contribution to a global agreement early in 2015." However, at the October 2014 European Union summit, when this climate agreement was being drafted, Ireland entered pleas for special consideration regarding carbon emissions from its agricultural sector.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

Candidacy procedures are fair and do not overtly discriminate against parties or groups. As early as 2011, Ireland was “famous for electing more independents than the rest of Europe together” (Gallagher 2011), and this trend continued in European, local and by-elections in 2014. Out of a total of 166 members, there are now 23 non-party independents and a further five who belong to groups with only one or two members. In a Seanad (Senate) by-election in 2014, the Fine Gael candidate was defeated by an independent.

The dramatic increase in the number of independents in the present parliament is due to the electoral success of “genuine” independents (legislators who have never held office for a major party) being supplemented by prominent mainstream politicians who were expelled from (or left) their party over policy differences. During 2015, new parties were formed from among these independents, Renua on the right and the Oriachtas on the left. The Oriachtas recognized the combined membership of the Anti-Austerity Alliance and People Before Profit as a new party, though their members prefer to be called a “unified parliamentary group.” Although not formally registered as a party, the newly able Independent Alliance also plans to field a number of candidates. This implies that the number of parties fielding candidates in the forthcoming general election will be significantly larger than was the case in 2011.

Following considerable debate concerning the need for a range of institutional reforms, the Taoiseach (prime minister) announced that in future the Ceann Comhairle (Speaker) of the Dail is to be elected by secret ballot.

Citation:

Michael Gallagher, ‘Ireland’s Earthquake Election: Analysis of the Results’, in Michael Marsh and Michael Gallagher (eds) *How Ireland Voted 2011: The Full Story of Ireland’s Earthquake Election*. London: Palsgrave.

Fiach Kelly, ‘Kenny’s ceann comhairle move could bring trouble his way’, *The Irish Times*, 9 Jan. 2016

Media Access
Score: 9

Irish political issues continue to receive widespread and detailed coverage in the press, on radio and on TV. Media coverage – especially on radio and TV –

is subject to strict guidelines designed to ensure equity of treatment between the political parties. The state-owned national broadcasting company (RTÉ) allows equal access to all parties that have more than a minimum number of representatives in the outgoing parliament. Smaller political parties and independent candidates find it less easy to gain access to the national media. However, any imbalances that may exist at the national level tend to be offset at the local level through coverage by local radio stations and newspapers. Subject to normal public safety and anti-litter regulations, all parties and candidates are free to erect posters in public spaces. There were no significant changes in this area during the review period.

It is worth noting, though, that following legislation in 2009, the 2011 election was the first in which RTÉ no longer operated entirely under self-regulation. This legislation meant that for the first time the regulation of both private and public broadcasters was vested in a single body, the Broadcasting Authority of Ireland (BAI). While these changes occurred prior to the current review period, research in this area is only just becoming available (see reference). The BAI does not, so far, seem to be all that effective in increasing transparency, although research suggests that RTÉ does have internal procedures that pay a great deal of attention to its statutory requirement to achieve “balance.”

Citation:

Kevin Rafter (2015), ‘Regulating the Airwaves: How Political Balance is Achieved in Practice in Election News Coverage’. *Irish Political Studies* 30:4, 575-594.

Voting and
Registrations
Rights
Score: 8

There have been no changes in voting and registration rules in recent years. All Irish citizens aged 18 and over are entitled to be registered to vote in all elections and referenda. British citizens may vote at Dáil, European, and local elections; other EU citizens may vote at European and local elections; non-EU citizens may vote at local elections only.

There is no population register in Ireland on which voter registration might be based. Instead, an electoral register is compiled by local authorities. To register to vote, a person must ordinarily be a resident at the address recorded in the electoral register by 1 September, when the register comes into force. There is limited provision for postal voting. While there is no evidence of systematic discrimination or disenfranchisement of any social groups in the compilation of the electoral register, inconsistencies in the register have been repeatedly exposed, displaying a lack of investment in the electoral process and even a lack of concern for its integrity.

The constitutional convention recommended lowering the voting age from 18 to 16 and the government promised to hold a referendum on this proposal.

However, it announced early in 2015 that it no longer planned to hold this referendum during the life of the present parliament.

In January 2015, the government committed to establishing an independent electoral commission during its term of office, but admitted that this commission would not be ready to function in time for the mid-2016 general election. It is hoped that it will be operational by the time of the local and European elections in 2019.

Citation:

Preliminary study on the establishment of an electoral commission in Ireland, submitted to the Department of the Environment, Heritage and Local Government

by: Richard Sinnott, John Coakley, John O'Dowd, James McBride,

Geary Institute University College Dublin

November 2008

Programme for National Recovery 2011-2016, March 2011

Convention on the Constitution: www.constitution.ie

<http://www.irishtimes.com/news/politics/reduction-of-voting-age-from-18-to-16-to-be-put-to-referendum-1.1458229>

David Farrell (2015), 'Conclusion and Reflection: Time for an Electoral Commission for Ireland', *Irish Political Studies* 30:4, 641-646.

Party Financing

Score: 8

Financing of Parties:

The financing of political parties in Ireland is supervised by the Standards in Public Office Commission (SIPO). Each of the political parties registered to contest a parliamentary or European election is required to furnish a donation statement to the commission and to publish annual accounts. The commission's last published annual report is for 2014.

Political parties that obtained at least 2% of the first-preference votes in the last Dáil general election qualify for Exchequer funding under the Electoral Acts. The amount payable to a qualified political party is based on its share of the votes received in the last election. In 2014, funding was paid to four qualifying parties: Fianna Fáil, Fine Gael, Sinn Féin and the Labour Party. In total they received €5.5 million, with the larger of the government parties, Fine Gael, receiving 42% of the share. The total value of donations from private sources disclosed by parties during 2014 was €166,392, of which Fine Gael received €102,567. The second largest donations total was recorded by the new Stop the Water Tax – The Socialist Party, which received €30,405.

Financing of Elections:

In contrast, the financing of elections still lacks transparency. By any comparative standard (see Van Biezen and Kopecky, 2015), Ireland's parties are well funded by the state.

The quid pro quo for generous state funding is supposed to be state regulation

of party financing. During elections this does not appear to be happening to an acceptable standard. For example, during the last election in 2011, the parties reported spending just under €3 million. Parties are not allowed to use any of their public funds to cover campaign expenses, but parties have to declare any donations over €5,078. Farrell (2015) observes that “In 2011, a year in which the parties between them spent over €9 million chasing votes, the total amount of donations they claimed to have received amounted to €30,997 – leaving a grand total of €9,246,640 of party income unaccounted for. In its annual report for that year, SIPO noted that this was ‘the lowest amount disclosed since the introduction of the disclosure requirement 15 years ago’” (Farrell, p. 644).

Citation:

The most recent report on the funding of political parties is available here:

<http://www.sipo.gov.ie/en/reports/state-financing/expenditure-of-state-funding/2014-exchequer-funding-received-by-political-parties/exchequer-funding-received-by-political-parties-for-2014.html>

Popular Decision-
Making
Score: 5

The first Constitution of the Irish Free State in 1922 provided powers of “initiative” and “referendum” to the Irish people. However, the first government removed these rights and they were never exercised.

While Article 6 of the constitution introduced in 1937 states that: “All powers of government, legislative, executive and judicial, derive, under God, from the people, whose right it is to designate all the rulers of the state and, in the final appeal, to decide all questions of national policy, according to the requirements of the common good,” it contains no provisions for direct initiatives or referenda. The main constitutional provision for referenda refers to proposed amendments to the constitution. The constitution also provides for a referendum on a proposal other than a proposal to amend the constitution (referred to in law as an “ordinary referendum”) but the initiative for such a referendum resides with the parliament. No “ordinary referendum” has been held in the state to date.

Direct Democracy Ireland, a political party, wants to replace representative democracy with participatory democracy in Ireland and to allow citizens to petition for a referendum on any issue by collecting a certain number of signatures. It obtained only 1.5% of the votes cast in the 2014 European Parliament election.

The constitutional convention discussed the question of popular initiatives and referenda, but did not make a recommendation on the issue.

Citation:

The Department of the Environment, Community and Local Government, The Referendum in Ireland, July 2012, available at

<http://www.environ.ie/en/LocalGovernment/Voting/PublicationsDocuments/FileDownload,1893.en.pdf>

The Constitutional Convention's concluding commentary is available here:
<https://www.constitution.ie/AttachmentDownload.ashx?mid=64bbfa68-89b9-e311-a7ce-005056a32ee4>

Access to Information

Media Freedom
 Score: 9

In Ireland, public and private media are independent of government. RTÉ, the state-owned broadcasting company, is supported by fees from a mandatory license. It is obliged to give balanced coverage of political events and to guarantee access to a variety of political views. Access by political parties for electioneering purposes must also be balanced. The state broadcaster faces competition from private TV and radio stations and does not enjoy a monopoly in any area.

The Broadcasting Authority of Ireland (BAI) was established on 1 October 2009. It has to “ensure that the democratic values enshrined in the constitution, especially those relating to rightful liberty of expression, are upheld, and to provide for open and pluralistic broadcasting services.”

The Press Council of Ireland and the Office of the Press Ombudsman were established on 1 January 2008. Through it citizens have access to an independent press complaints mechanism that aims to be “quick, fair and free” and to “defend the freedom of the press and the freedom of the public to be informed.”

Press and government keep one another at arm's length. Preferences and biases arising from the views of journalists and broadcasters undoubtedly exist in editorial matters, but there is sufficient variety of editorial opinion and adequate complaints procedures to prevent this from undermining the democratic process.

Controversy has surrounded the issue of the right of a newspaper to protect its sources, for example by destroying relevant documents. The European Court of Human Rights ruled that The Irish Times had to pay its own costs in a case on this issue filed against it by the state. The court commented that the costs ruling could have “no impact on public-interest journalists who vehemently protect their sources yet recognize and respect the rule of law.”

Media Pluralism
 Score: 8

A wide range of newspapers – national and local – is published in Ireland and this is augmented by the circulation of the main UK newspapers and weeklies. In addition to the range of public-service state-owned radio and TV stations, a variety of privately owned stations also exist. Irish listeners and viewers also avail themselves of UK English-language stations, which are widely received in the country. As a result, Irish readers, listeners and viewers are exposed to a plurality of opinions.

There is a plurality of ownership in the Irish media – the sector includes state radio and TV, private radio and TV, a variety of newspapers with varied private ownership, and many small-circulation magazines that purvey alternative political views and philosophies. However, there are recurrent suspicions about the influence and power of the Independent News and Media Group, an Irish-based multinational media company that owns the largest circulation national titles. The control of this company has changed recently following a bitter internal feud. The group’s editors maintain that its journalists are not restricted in their professional freedom.

There are also recurrent criticisms of the views promoted by the state-owned broadcasting company, RTÉ, and of bias in its core news and editorial comment. There does not appear to be much basis for such claims.

Irish libel laws are restrictive and may impair the ability of investigative journalists to have their work published. However, the restrictions imposed by the existing laws do not imply any bias toward one end of the political spectrum or the other.

The readiness of a prominent businessman, with very substantial investments in the Irish media, to sue journalists over their coverage of his affairs has raised questions about the impact of Ireland’s defamation laws on the exercise of press freedom.

Access to
Government
Information
Score: 8

Irish Freedom of Information (FOI) legislation, initially enacted in 1997, was amended in 2003 to restrict access to data and information about decision-making in the public administration in several key areas, including defense, government meetings, and areas of commercial sensitivity. The Freedom of Information (Amendment) Act passed in 2013 removed the substantive restrictions introduced in 2003, and extended FOI to all public bodies including the National Treasury Management Agency, the National Asset Management Agency, An Garda Síochána, and the Central Bank of Ireland. Moreover, it reduced the cost of internal review from €75 to €30, and appeal fees from €150 to €50.

The existing FOI legislation has been used effectively by individuals and the press to gain access to information regarding the manner in which ministries reach decisions, the expenses incurred in public procurement, and instances of the waste of public funds.

Government departments, ministries and agencies now have information officers to channel information to the public. In some cases these officers act as purveyors of objective information; others act as spin doctors, putting

biased interpretations on events to suit politicians.

The Central Statistics Office (CSO) is responsible for the collection and dissemination of official statistics. An independent national statistics board oversees its performance. This office is located in the Department of the Taoiseach (the prime minister's office) and is not answerable to the ministers responsible for areas covered by the statistics. Sensitive data (such as figures on inflation and unemployment) are made available to ministries shortly before their publication, but they have no right to alter these data or to influence how they are presented. The CSO enjoys a good reputation internationally in both its independence from political interference and the technical competence of its staff.

In May 2013, Ireland submitted a letter of intent to join the Open Government Partnership. Full membership was achieved early in 2014 with the submission of Ireland's National Action Plan.

During 2015, there was controversy surrounding the right of journalists to report allegations made in the Dáil (parliament) in relation to commercial transactions between the National Asset Management Agency and a prominent businessman. The courts ruled that the allegations, made under parliamentary privilege, could not be reported in the press. In reality, they became public almost immediately.

Civil Rights and Political Liberties

Civil Rights
Score: 9

The Irish constitution enshrines the full range of fundamental civil rights associated with a liberal-democratic state. Article 38 establishes the right to a fair trial; Article 40 the rights to life, liberty, property, freedom of expression and equality before the law; Article 41 contains provisions for the protection of the family. In November 2012, the constitution was amended by referendum to strengthen the provisions regarding the rights of the child.

Operating under the common-law system inherited from the era of British rule, the Irish courts have been active in discovering "unenumerated" rights implied by these articles. These include the right to bodily integrity, to freedom from torture, inhuman or degrading treatment or punishment, the right to work and earn a livelihood and the right to privacy.

Following the passage of the European Convention on Human Rights Act (2003) by the Irish parliament, the rights interpreted and developed by the European Court of Human Rights are directly enforceable before the Irish courts. The Criminal Justice (Legal Aid) Act 1962 established an extensive

system of free legal aid to promote equal access to the law and the courts. Access to free legal aid in certain civil cases was established by the Civil Legal Aid Act (1995).

However, a plaintiff who takes a civil case through the courts and loses is likely to have to meet not only his/her own legal costs but also those of the defendant. The best legal advice is very expensive. These considerations limit the effectiveness of equality of access to justice especially in matters relating to defamation, property disputes and other areas not covered by legal aid.

The Protected Disclosures Act 2014 came into force in July 2014. This will offer legal protections for workers who report concerns about wrongdoing in the public, private and non-profit sectors. The law will cover all employees, contractors, agency workers, members of the police force (An Garda Síochána), and members of the Defence Forces.

Political Liberties
Score: 9

Freedom of speech, freedom of assembly, and the right to form unions and associations without religious, political or class discrimination are enshrined in the Irish constitution. These rights have been protected and upheld by the Irish courts over the years, subject only to restrictions regarding sedition, blasphemy and breaches of the peace. In October 2014, the government accepted the constitutional convention's recommendation that a referendum be held on removing the offense of blasphemy from the constitution. However, it has made clear that this referendum will not be held in the life of the present government.

Sinn Féin, the political wing of the formerly illegal Irish Republican Army, has become increasingly involved in mainstream Irish politics. Its share of the vote at general elections grew from 1.6% in 1992 to 9.9% in 2011, while the number of seats it occupies in parliament grew from none to 14. No political group is presently excluded from access to the airwaves or the print media.

Over the review period, public protests against Irish Water reached a new intensity. As a result of one violent confrontation with the police, some protesters, including elected members of parliament, now face charges of "falsely imprisoning" the Tánaiste (deputy prime minister). The protesters claim that these charges effectively limit the right to freedom of political expression. The matter is now before the courts.

Non-discrimination
Score: 9

There are strong anti-discrimination laws on the Irish statute books. The Employment Equality Act, 1998 and the Equal Status Act, 2000 outlaw discrimination on grounds of gender, marital status, family status, age, intellectual or physical disability, race, sexual orientation, religious belief or membership in the Traveller Community in employment, vocational training, advertising, collective agreements, the provision of goods and services, and

other opportunities to which the public generally has access. The Equality Authority is an independent body set up under the Employment Equality Act, 1998 to monitor discrimination. An independent equality tribunal was established under the same act to offer an accessible and impartial forum to remedy unlawful discrimination. These agencies have been active in recent years and successful in prosecuting cases on behalf of parties who felt they had been discriminated against.

In 2012, a referendum was passed to amend the constitution to explicitly recognize the rights of children and generally provide enhanced protection to children.

In May 2015, a referendum legalizing same-sex marriage was passed by a vote of 62% in favor, 38% against. The Thirty-Fourth Amendment of the Constitution (Marriage Equality) Act was signed into law on 29 August 2015.

Rule of Law

Legal Certainty
Score: 6

Politicians are prohibited by law from interfering with the course of justice and attempts to do so appear to be very rare. Government and administrative units generally act predictably and in accordance with known rules. The use of ministerial orders can be to some extent arbitrary and unpredictable, but they are liable to judicial review.

A significant degree of discretion is vested in the hands of officials (elected and non-elected) in relation to infrastructure projects as well as town and rural planning. Following the collapse of the housing market in 2009, there has been much less scope for corruption in relation to development and public contracts; public concern about these issues has waned. This may change as activity in the construction industry gathers pace.

Two recent controversies dented the public's perception of the integrity of the police force and the operationalization of the rule of law. These centered around the administration of the law relating to driving offenses, on the one hand, and the Garda Síochána Ombudsman Commission (GSOC), on the other. Although neither has been satisfactorily resolved, attention shifted away from them over the course of 2015.

Citation:

The report of the Inquiry into the behavior of the police in relation to allegations of misconduct and corruption is available here:

<http://www.merriestreet.ie/wp-content/uploads/2014/05/Final-Redacted-Guerin-Report-OCR.pdf>

The inquiry into the circumstances surrounding the resignation of the Garda Commissioner was conducted by a former Supreme Court judge, Justice Fennelly, and is available here:

https://doc-0s-bs-docs.googleusercontent.com/docs/securesc/ha0ro937gcuc717deffksulhg5h7mbp1/bjfn1u1n4ifdcsekb8vsaf0a2nnd850m/1442836800000/10437822469195814790/*0B2B2HUQaR5vwUnpJRTZnMU1tbWc?e=download

Judicial Review
Score: 9

A wide range of public decisions made by administrative bodies and the decisions of the lower courts are subject to judicial review by higher courts. When undertaking a review, the court is generally concerned with the lawfulness of the decision-making process and the fairness of the decision. High Court decisions may be appealed at the Supreme Court. The courts act independently and are free from political pressures.

In October 2013, a referendum proposing the creation of a new Court of Appeal was passed. This court began operations in October 2014. The new court is designed to enable cases appealed from the High Court to be heard in a timely fashion.

The cost of initiating a judicial review can be considerable. This acts as a deterrent and reduces the effectiveness of the provisions for judicial review.

Appointment of
Justices
Score: 7

The Judicial Appointments Advisory Board (JAAB) acts in an advisory capacity in appointments to the Supreme Court. The president of Ireland formally makes appointments. The Oireachtas (a term that encompasses both parliament and president) has the power to appoint a person who has not applied to, and has not been considered by, the JAAB.

While the process does not require cooperation between democratic institutions and does not have majority requirements, appointments have, in the past, not been seen as politically motivated and have not been controversial. However, changes made in April 2012 to the system of regulating judges' pay and pensions and the appointment of judges provoked controversy. Judges' pay and pensions had been shielded from the cuts in public-sector pay implemented during the economic crisis, but a huge majority of voters in a referendum in October 2011 voted to remove this protection. The Association of Judges of Ireland has called for the establishment of an independent body to establish the remuneration of judges and create improved lines of communication between the judiciary and the executive.

Toward the end of 2013, the minister for justice and equality invited interested parties to comment on an ongoing Department of Justice and Equality review of judicial-appointment procedures. In response to this request, a Judicial Appointments Review Committee was established by the chief justice and the presidents of the high, circuit and district courts. This committee submitted a preliminary report in January 2014, which highlighted the unsatisfactory nature of the existing system and summarized systems prevailing in several

Corruption
Prevention
Score: 7

other common-law jurisdictions. The government is committed to reforming the Irish system in response to these initiatives. However, has been no progress on this over the review period.

The legal framework and rules regarding standards in public office have been progressively tightened and extended over time in Ireland.

In January 2014, Public Service Reform Plan 2014 – 2016 was published. Its stated goal was to maintain momentum with regard to reducing costs and increasing efficiency in the public sector, “to deliver greater openness, transparency and accountability and to strengthen trust in government and public services.”

Many proposed reforms are still at the planning stage, and it is too early to assess their impact on the integrity of officeholders and public servants.

Citation:

The 2014 Public Services Reform Plan is available here:
<http://reformplan.per.gov.ie/>

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 6

There is some evidence that Irish policymakers improved their strategic-planning capacity since the period in the immediate aftermath of the crisis. The annual reports on the Programme for Government detail a more coherent strategic approach to policymaking and increased use of advisory bodies.

However, independent advice is not always followed. Popular pressures for increased spending and tax reductions influenced government decisions in the 2016 budget, reflecting the proximity of a general election. The Fiscal Advisory Council and the Economic and Social Research Institute have urged the government to devote more of the revenue gains arising from the recent economic improvement to a faster reduction of the budget deficit, at the expense of lower taxes and increased spending. However, the imposition of limits on mortgage lending during 2015, intended to moderate the rise in home prices, is a welcome example of unpopular but prudent strategic thinking.

Scholarly Advice
Score: 5

In 2009, an academic was appointed governor of the central bank, breaking with the long-established tradition that the retiring permanent secretary of the Department of Finance would succeed to the governorship. Following his retirement toward the end of 2015, the government announced the appointment of another academic economist as his replacement.

The Fiscal Advisory Council is an independent statutory body, comprising five experts, mainly drawn from academia. It was established in 2011 as part of a wider reform of Ireland's budgetary procedures. The Council is required to "independently assess, and comment publicly on, whether the Government is meeting its own stated budgetary targets and objectives." The chairman's claim that the 2016 budget violated the rules of the EU's Stability and Growth Pact received much publicity. This assertion, however, was quickly withdrawn following a rebuttal by the Minister of Finance. Nonetheless, the Council has

stuck to its criticism of the budget as excessively expansionary.

Academics have regularly held advisory posts in government ministries, including the prime minister's office and the Department of Finance. Advisers meet regularly with their ministers but there is no information on the impact on policymaking of the advice proffered. There is no established pattern of open consultations with panels of non-governmental experts and academics, although some ad hoc arrangements have been made from time to time.

Citation:

Academics are active in several recently-formed independent blogs that may have some influence on policy maker. These include

<http://www.irisheconomy.ie>

<http://www.publicpolicy.ie>

<http://www.politicalreform.ie>

<http://www.nerinstitute.net>

Interministerial Coordination

GO Expertise
Score: 7

The influence and effectiveness of the Irish prime minister's office (Department of the Taoiseach) is limited by a dearth of analytical skills. The department is focused on strategic policy issues and the delivery of the Programme for Government.

An expert group on strengthening civil-service accountability and performance reported to government in May 2014. Among the numerous recommendations it made, it proposed the establishment of an accountability board for the civil service, chaired by the Taoiseach but including external members. This board would be tasked with reviewing and constructively challenging the performance of senior management as well as monitoring progress on the delivery of agreed-upon priorities. It also recommended that the Irish Civil Service be given an appointed head. The government rejected the proposal for a head of civil service, but an accountability board with independent members was established in May 2015.

Citation:

The report of the Independent Panel on Strengthening Civil Service Accountability and Performance is available here:

<http://www.per.gov.ie/civil-service-accountability-consultation-process/>

GO Gatekeeping
Score: 9

The Department of the Taoiseach reviews draft memoranda designated for discussion by the cabinet. Its views are taken into account when these memoranda are revised. The Taoiseach's office exercises tight control over the government agenda; as does the Department of Finance.

Line Ministries
Score: 9

The Prime Minister's Office is involved in legislative and expenditure proposals. The process is a highly interactive one, with much feedback between the line ministries, the prime minister's office, and the office of the attorney general. The Department of Finance has considerable input into all proposals with revenue or expenditure implications. Any significant policy items have to be discussed in advance with the Department of the Taoiseach.

Cabinet
Committees
Score: 6

There are nine cabinet committees. The most important is the Economic Management Council, which includes the Taoiseach (the prime minister, acting as chair), tánaiste, minister for social protection, the minister for finance, and the minister for public expenditure and reform. This group is widely believed to have considerable influence on economic and budgetary policy.

The other committees deal with the areas of health, justice, public-sector reform, climate change, construction, the Irish language, European affairs, and economic recovery.

Oireachtas (parliamentary) committees play an increasingly important role in parliamentary business. They can receive submissions and hear evidence from interested parties or groups, discuss and draft proposals for legislative change, print and publish minutes of evidence and related documents, and require attendance by ministers to discuss current policies and proposals for legislation.

Citation:

For information about Cabinet Committee see:

http://www.taoiseach.gov.ie/eng/Taoiseach_and_Government/Cabinet_Committees

<http://www.irishtimes.com/opinion/letters/economic-management-council-1.1996699>

Ministerial
Bureaucracy
Score: 5

Responsibility for policy coordination lies with the Prime Minister's Office (Department of the Taoiseach). However, to be truly effective in this area the office would require greater analytical expertise across many policy areas than it has at present. Despite much rhetoric about "joined-up government," the coordination of policy proposals across ministries is relatively weak, and conflicting policies are often pursued in different parts of the civil service. For example, employment creation can take precedence over environmental considerations and local planning processes often do not mesh with national housing policies.

Informal
Coordination
Score: 8

Every government in Ireland since 1989 has been a coalition government. The 2016 general election is certain to result in another coalition-formed government. Coalition partners negotiate a Programme for Government (PfG), which is essentially a contract between the government parties. It plays an important role in policy coordination, but is not a self-enforcing contract. The continued survival of coalition governments depends on successful policy

coordination and implementation of the PfG. An annual report, published in March, then sets out the progress made across government toward meeting those commitments and reflects the priorities for the coming year.

The impression conveyed by accounts of cabinet meetings is that the agenda is usually too heavy to allow long debates on fundamental issues, which tend to have been settled in various ways prior to the meeting. On the whole these informal coordination mechanisms appear to work effectively.

Citation:

The two most recent Annual Reports on the Programme for Government are available here:

http://www.taoiseach.gov.ie/eng/Publications/Publications_2014/Programme_for_Government_Annual_Report_2014.pdf

http://www.taoiseach.gov.ie/eng/Publications/Publications_2015/Programme_for_Government_Annual_Report_2015.pdf

Evidence-based Instruments

RIA Application
Score: 4

The 2011 Programme for Government states: “We will require departments to carry out and publish Regulatory Impact Assessments [RIAs] before government decisions are taken.” In principle, RIAs are used by all government departments. In practice, the range of RIAs completed and published is narrow. The last published list of completed RIAs dates from 2009.

In response to parliamentary questions on the topic in July 2012, the prime minister responded: “My department will shortly be consulting departments generally about the question of publication of regulatory impact analyses carried out before government decisions are taken.” Despite the reiteration in the Annual Review of the Programme for Government of the requirement that all departments undertake RIAs for regulatory changes, there is little evidence that these are being undertaken and published.

The future of Irish Water remains uncertain at the time of writing. Its story represents a major failure in the area of regulatory impact assessment, policy coordination and government communication with the public.

Citation:

The latest available government documentation relating to RIAs is

http://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_2011/Revised_RIA_Guidelines_June_2009.pdf

Parts of the Independent Assessment of ‘The options for water provision’ are available at <http://www.environ.ie/en/Publications/Environment/Water/FileDownload,29194,en.pdf>

Quality of RIA
Process
Score: 4

The accessibility and communication of the RIAs that have been performed are poor and independent quality evaluations are not conducted.

The shortcomings and problems that have arisen with regard to the launch of Irish Water illustrate a failure to create transparency and enable participation in the assessment of at least this important project.

Sustainability
Check
Score: 4

Some of the suggested sustainability checks are included in the RIA Guidelines published in 2009, but there is no explicit mention of “sustainability” in that document and it does not seem that such checks are integrated into the RIA process. There is explicit provision for the inclusion of poverty impact assessments.

Societal Consultation

Negotiating Public
Support
Score: 5

Three public-sector agreements on pay and working conditions were negotiated between 2010 and 2013. The latest of these runs until 2016. The cumulative effect of these measures has been significant changes in pay and working conditions in the public sector, and a marked increase in productivity. However, some trade unions, notably in the educational sector, have rejected these proposals and some significant problems remain unresolved.

By the end of 2015, the markedly improved performance of the economy has shifted the focus onto the need to contain expectations of a rapid easing of the tax and expenditure disciplines put in place in the aftermath of the crisis. It remains to be seen how the new government that will be elected early in 2016 will handle this issue.

The government now consults with workers and employers in the private sector on pay policy to a much lesser extent than was the case before 2008. Wage settlements are largely reached through discussion and negotiation between the affected parties.

Citation:

The latest public-sector agreement is here:
<http://www.per.gov.ie/haddington-road-agreement>

Policy Communication

Coherent
Communication
Score: 7

Under the constitution, the government is required to act in a collective fashion and all ministers are collectively responsible for government decisions. This doctrine of collective cabinet responsibility is normally adhered to and creates a clear incentive to follow a closely coordinated communications strategy.

In some controversial policy areas, communication between ministries as well as between ministries and the government has lacked coherence. Statements regarding health care continue to lack clarity and consistency, with inadequate coordination between the ministry and the government about what is planned and feasible in this area.

The launch of the new water services authority has been characterized by a serious lack of transparency and coherence. This problem has persisted throughout 2015. The government's attempt to remove Irish Water from the General Government sector and have it treated as a commercial state-owned body in the national income accounts was dismissed by a judgment from Eurostat: "Eurostat considers that Irish Water is a non-market entity controlled by government and should therefore be classified within the government sector." Over the past two years, there has been a complete failure to clarify this problem within government and to communicate the situation to the public.

Citation:

The complex details of the treatment of Irish Water in the national income accounts were discussed in an exchange of views between the Irish Central Statistics Office and Eurostat: see

<http://www.cso.ie/en/surveysandmethodology/nationalaccounts/classificationdecisions/classificationofirishwater/>

Implementation

Government
Efficiency
Score: 8

The coalition government formed in 2011 agreed on a program called Government for National Recovery 2011 – 2016. This set out a legislative program and goals for economic management. As already noted, progress toward achieving its principal economic targets has been greatly facilitated by favorable external developments. In other areas, the government can point to a high level of activity and claim a reasonable success rate.

Four annual progress reports on the implementation of this program have since been published, the latest in March 2015. These present favorable views of the government's achievements during its four years in office. However, a good deal of the reported progress represents initial steps, such as the publication of bills and plans as well as the commissioning of reports, rather than final outcomes.

The increased volume of activity noted since the government took office has been maintained. One (admittedly crude) way to measure this is the sheer amount of legislation being passed. For example, the Programme for Government's 2013 annual report listed 57 new pieces of legislation that had been enacted in the previous 12 months. In the 12 months ending in March

2014, a further 51 were enacted and in the 12 months ending in March 2015 a further 44. Among the significant laws enacted were the new Companies Act and the Regulation of Lobbying Act.

In May 2015, the government held referenda on marriage equality and on lowering the age of presidential candidates. The former was passed, the latter defeated. A parliamentary inquiry into the banking crisis was launched and completed its public hearings in September. A new Court of Appeals was legislated for and commenced operating during the year.

However, the continuing controversy surrounding Irish Water and the uncertainty as to how the issue of widespread non-registration for water billing will be resolved is a conspicuous example of the government's failure to achieve a key policy objective.

To accomplish the increased level of activity, parliamentarians are taking fewer holidays: the number of days that the Dáil is in session increased by 33% and the use of the guillotine was reduced by 75% during 2014.

Citation:

The 2015 Review of the Programme for Government is available here:

http://www.taoiseach.gov.ie/eng/Publications/Publications_2015/Programme_for_Government_Annual_Report_2015.pdf

Michael Gallagher (2010), "The Oireachtas", chpt 7 of John Coakley and Michael Gallagher (eds), *Politics in the Republic of Ireland*. London: Routledge and PSAI Press.

Ministerial
Compliance
Score: 7

The parties participating in the present coalition government have different agendas and priorities. The allocation of ministries between them has a significant influence on the overall coherence of government policy.

Individual ministries are to a significant degree independent fiefdoms that can be used by individual ministers to pursue their self-interest – including boosting their chances of reelection – rather than any comprehensive government objective. The system requires even senior ministers to spend considerable time and energy in local constituency work, because few are sufficiently distanced from the risk of losing their seat at the next election. One newspaper recently estimated (informally) that ministers spend only about 10% of their time on national issues.

The two ministries with overarching responsibility for coordinating this program are the Department of the Taoiseach and the Department of Finance.

Ministers are not involved in the appointment or promotion of civil servants; at the higher levels of the civil service, appointment is now in the hands of the

independent Top Level Appointments Commission. However, a 2014 conflict over the roles of the minister for justice and the commissioner of the Garda Síochána (the police force) led to the resignation of both men, and eventually the departure of the secretary general of the Department of Justice as well.

Ministers select their own advisers and consultants and these exercise considerable influence. For the most part, however, individual ministers do implement government policy. But over time there is a tendency for some to pursue increasingly idiosyncratic goals. The ultimate sanction can be exercised by the Taoiseach, as occurred in the major cabinet reshuffle of July 2014, which was designed to increase the government's cohesiveness.

Monitoring
Ministries
Score: 8

The annual budgetary process, and in particular the preparation of expenditure estimates, involves individual ministries submitting preliminary estimates to the Department of Finance. This is the opening of a battle for resources, as the department seeks to reconcile the sum of departmental claims with the total available for public spending. Whereas monitoring and oversight of most line ministry spending and policy implementation have been effective in recent years, the problem of large cost overruns in the Ministry of Health and confusion about the medium-term strategy for public health are long-standing and unresolved issues.

Having corrected its excessive deficit in 2015, Irish policymakers were constrained by the rules of the EU fiscal compact in framing their 2016 budget. These reduced flexibility at the national level with regard to tax cuts and expenditure increases. However, these constraints were somewhat offset by revenue buoyancy resulting from unexpectedly rapid economic growth.

Monitoring
Agencies,
Bureaucracies
Score: 5

The Health Services Executive (HSE) is the government agency responsible for providing public health care. It is the largest semi-autonomous bureaucracy in the country. It was formed by the amalgamation of local health boards 10 years ago; it remains difficult to identify the savings that were promised due to this rationalization. On the other hand, cost overruns and low delivery standards have been a persistent feature of the agency. The history of HSE weighs heavily on public perceptions of the new Irish Water agency.

In other areas, the autonomy of executive agencies has yielded mixed results, and the monitoring of these agencies is not sufficiently close to ensure that government policy is being implemented efficiently.

The Office of the Comptroller and Auditor General (OCAG) is responsible for auditing and reporting on the accounts of all public bodies, ensuring that funds are applied for the purposes intended, and evaluating the effectiveness of operations. The OCAG does not regularly monitor all executive agencies. It seems to select those where it knows or suspects that problems have arisen. Its

mission statement says it “selects issues for examination which are important in the context of the management of public funds.” Its reports contain details of overspending and inefficiencies, and make recommendations for improving financial administration within the public sector.

In summary, a system of monitoring executive agencies is in place, but recent high-profile cases show that it all too often discovers failings and shortcomings after they have occurred and has not been very effective in averting them.

Citation:

The latest (2013) OCAG reports on the accounts of the public services are available here:

<http://www.audgen.gov.ie/viewdoc.asp?fn=/documents/annualreports/2013/Report/En/ReportIndex.htm>

http://www.audgen.gov.ie/viewdoc.asp?fn=/documents/annualreports/2013/AppAcc/En/AppAccIndex_2013.htm

A list of special reports on value for money in the public sector is available here:

<http://audgen.gov.ie/viewdoc.asp?DocID=-1&CatID=5&UserLang=EN&m=13>

Task Funding
Score: 7

One of the motivations for the creation of Water Ireland in 2013 was to remove responsibility for the provision of water services from local governments, many of which had failed to provide a reliable supply of high-quality water to their populations and had seriously under-invested in water infrastructure over the years, perhaps largely due to inadequate funding from the central government. The water initiative paralleled the decision in 2005 to remove the provision of public-health services from regional health boards, centralizing this power instead in the Health Services Executive. As we have seen, this has not resulted in a smoothly functioning health care delivery system.

The functions and services that remain the responsibility of subnational units of government are largely funded by the central government rather than from local resources. In 2013, grants from the central government accounted for 43% of the current revenue and 90% of the capital revenue of subnational governmental units. Local taxes accounted for only 28% of their current receipts. While the introduction of the local property tax will raise the proportion of funds coming from local sources, subnational units of government will remain heavily dependent on the central government for resources. This dependence is proportionately greater in the case of smaller and poorer local units.

The receipts from the new local property tax (LPT) are to be distributed as follows: in 2015, 80% will be retained locally to fund vital public services, while the remaining 20% will be redistributed to provide top-up funding to

certain local authorities that have lower property-tax bases due to variance in property values.

No local authority will receive less income from the LPT in 2015 than they received from the Local Government Fund in 2014.

Constitutional
Discretion
Score: 5

Ireland is a unitary state, without a significant degree of autonomous local or regional self-government. Article 28a of the constitution simply states: “The state recognizes the role of local government in providing a forum for the democratic representation of local communities, in exercising and performing at local level powers and functions conferred by law and in promoting by its initiatives the interests of such communities.”

In keeping with its weak constitutional foundation, the role of subnational government is viewed by the electorate as confined to a narrow range of functions. Most of the units of local government – the counties and county boroughs – are small, and many have weak economic bases.

The role of subnational units of government has been progressively reduced, most notably by the removal of their responsibility for the provision of health and water services (respectively in 2005 and 2014). However, the government decided that local authorities that stand to receive more income in 2015 from the LPT than they received from the Local Government Fund in 2014 will be entitled to use a certain portion of that additional funding for their own discretionary purposes as part of their normal budgetary process.

While the Local Government Reform Act 2014 introduced some important changes in the structure of local government (merging three pairs of city/county councils and replacing town councils with municipal districts), it did not radically alter the structure or functions of local government. The act also replaced the existing regional authorities with three new Regional Assemblies that are tasked with preparing Regional Spatial and Economic Strategies by 2016. Local Community Development Committees have also been established. It remains to be seen if these developments will significantly increase subnational implementation autonomy.

National Standards
Score: 7

Most of the main public services (health, social welfare, education, public transport, building and maintaining the primary national road network, and, since 2014, the provision of water services) are provided by the central government or national public utility companies; there is little scope for subnational governments to influence standards.

The attainment of national (or, more usually now, EU) levels of public services is prescribed and monitored in other areas where local government plays a greater role, notably environmental services and standards.

The Environmental Protection Agency (EPA) plays a key role in enforcing standards across the country. The Office of Environmental Enforcement supervises the environmental protection activities of local authorities by auditing their performance, providing advice and guidance, and in some cases giving binding directions. It can assist the public in bringing prosecutions against local authorities found to be in breach of significant legislation. In other areas – the provision of social housing, maintenance of local roads, and other such issues – the attainment of national standards is largely constrained by the resources made available by the central government. There is significant variation between local providers in these areas.

Adaptability

Domestic
Adaptability
Score: 9

The key influence in this area is Ireland's membership in the European Union and, in the financial area, of the euro zone. Over the 42 years since Ireland became a member of the European Economic Community, the country has adapted institutions at all levels of government to allow effective functioning in Europe. Having successfully implemented the 2010 bailout agreement with the Troika, Ireland is now committed to adhering to the EU rules of economic governance contained in the Treaty on Stability, Coordination and Governance and the fiscal procedures contained in the European Semester. The unexpectedly strong economic performance since 2013 has greatly facilitated compliance with these obligations.

Citation:

For a discussion of the framework of Ireland's economic governance see <http://www.iiea.com/publications/reforming-european-economic-governance?gclid=CKCIzsatvcECFQRj2wodjz4A9w#sthash.1I8sWbHq.dpuf> return for

International
Coordination
Score: 7

The country contributes to international efforts to foster the provision of global public goods primarily through its active participation in European policymaking institutions. Irish government structures have been progressively altered to support this capacity.

Ireland has continued to maintain a relatively high level of overseas development assistance since the onset of the economic crisis. It also continues to play an active part in the development of the European response to climate change. The Irish and Kenyan ambassadors co-facilitated the final intergovernmental negotiations that led to the adoption of the UN's Global Goals (Sustainable Development Goals) in 2015.

Citation:

For an account of Ireland's role in negotiating the Sustainable Development Goals see <https://www.irishaid.ie/what-we-do/post-2015-negotiations/ireland's-special-role/>

Organizational Reform

Self-monitoring
Score: 7

The present government has a mandate for institutional reform and has made some progress in implementing its program in this area as set out in its four Annual Reviews of the Programme for Government. Specific examples have been discussed in relation to other SGI criteria.

Institutional
Reform
Score: 7

Radical change was called for in the wake of the dramatic policy and governance failures that contributed to the severity of the crisis. However, the specific reforms implemented have been relatively limited and some of the initial momentum has been lost as the government enters its final year and a general election looms. Nonetheless, improvements in strategic capacity introduced during the period of the Troika agreement have been retained.

Institutional arrangements for supervising and regulating the financial-services sector have been overhauled to address shortcomings that contributed to the crisis. The Department of Finance has been restructured and strengthened, a Fiscal Advisory Council established, and a parliamentary inquiry into the banking crisis completed its public hearings.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 9

Although turnout is not a guide to how well-informed voters are, it is worth noting that the turnout at the 2011 general election was 70.1%, which is the highest at any general election since 1987 and a big increase on the lowest turnout of 62.6% seen in 2002. Concern over the economic crisis and a desire to punish the politicians believed to have been responsible for the mismanagement of the economy may have been behind the increased turnout. The high turnout indicates interest in the political process and a belief in the value of voting. It is possible that the 6% drop in turnout for the May 2014 local and European parliamentary elections relative to the comparable 2009 elections reveals some falloff in this belief. However, the fact that the turnout in the two referenda held in May 2015 reached 60% and that in one the government's proposal (marriage equality) was carried, but in the other (lowering the minimum age of presidential candidates) was defeated points to a good understanding of the issues involved.

The proportion of Irish respondents claiming to have heard of various European institutions is consistently higher than the EU average. The level of personal familiarity with elected politicians is very high – it has been claimed that a majority of the electorate have actually been canvassed by at least one person seeking election to the national parliament. In addition, the quality of debate on policy issues is fairly high.

Legislative Actors' Resources

Parliamentary
Resources
Score: 5

The Oireachtas Library and Research Service manages the Irish parliamentary library. The service's primary users are the individual members of the houses of the Oireachtas, committees and staff of the houses.

Whereas ministers recruit advisers and experts, there is no system of internships that allows members to recruit researchers and no tradition of members or groupings commissioning and publishing evaluations of government activity. The main resource available to members for monitoring government activity is the committee system. This allows members to call expert witnesses and explore the implications of proposed legislation. The resources available to these committees appear adequate for their purpose.

These resources are complemented through the mechanism of Parliamentary Questions. Dáil Éireann allocates time during which deputies may ask questions of members of the government relating to their departments or to matters of administration for which they are responsible. Considerable civil service resources are devoted to researching the answers to these questions, of which a total of 50,000 were processed during 2014. This works out at an impressive average of 300 per deputy.

Citation:

A statement of the services available from the Oireachtas Library and Research Services is provided here:

<http://www.oireachtas.ie/parliament/media/housesoftheoireachtas/libraryresearch/others/LRSSstatementofServicesapprovedbyCommission2012.pdf>

Michael Gallagher, 'The Oireachtas: President and Parliament', in John Coakley and Michael Gallagher (eds), *Politics in the Republic of Ireland*, 2010.

Obtaining
Documents
Score: 7

Parliamentary committees have the power to send for persons, papers and records; to require attendance by ministers in order discuss current policies and proposals for legislation; and to require the attendance of principal officeholders in bodies that are funded by the state. The issue of access to government documents by committees has not been contentious in recent years.

The Oireachtas Joint Committee of Inquiry into the Banking Crisis was a major test of the effectiveness of the committee system. It held public hearings throughout 2015. Despite some restrictions in its terms of reference, it proved effective in gathering and disseminating information about the circumstances surrounding government responses to the banking crisis. One of the biggest gaps in its deliberations is the limited cooperation received from officials of the European Central Bank.

Citation:

The scope and structure of the Banking Inquiry are set out here:

<http://www.oireachtas.ie/parliament/media/Relevant-Proposal-to-the-Committees-on-Procedure-and-Privileges-of-Dail-Eireann-and-Seanad-Eireann.pdf>

Summoning
Ministers
Score: 8

The powers and scope of Oireachtas committees of inquiry are set out in the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013, which was signed into law in July 2013. The act provides for Oireachtas inquiries, consistent with the Supreme Court's judgment on the scope of such inquiries. The scope of legitimate parliamentary inquiries that can now be carried out is broad. The legislation expands the scope of evidence that civil servants may give, thus enabling committees to develop a full narrative of events for the purpose of establishing facts.

The Banking Inquiry has been established under this act; it has the power to require ministers or ministers of state to attend hearings to discuss the policy for which they are officially responsible. However, this power is circumscribed by the principle of cabinet confidentiality, which is enshrined in the constitution. Parliamentary committees do not directly have the power to summon ministers, but the Dáil Committee on Procedures and Privileges, which is chaired by the chief whip of the government, may delegate to a committee the power to require a minister or minister of state to attend a meeting to discuss policy, or proposed primary or secondary legislation (before it is published), or to hear the views of the committee before attending a meeting of the EU Council. Thus, in practice, the government controls who can be compelled to attend ordinary parliamentary hearings.

That said, cabinet ministers regularly attend committees and assist them with their work. Several former and serving ministers, and the present and past governors of the Central Bank of Ireland, gave evidence before the Banking Inquiry.

Citation:

For a discussion of how a constitutional provision for cabinet confidentiality will impinge on the work of the Banking Inquiry, see the July 2014 post by Dr. Conor O'Mahony on the

Constitution Project @ UCC website:

"Cabinet Confidentiality and the Banking Inquiry"

<http://constitutionproject.ie/?p=342>

However, the committee's work was not unduly hampered by these considerations.

For the Supreme Court judgment on the powers of Oireachtas Inquiries see

https://www.google.ie/search?q=abbeylara+case&oq=abbeylara+case&aqs=chrome..69i57.8950j1j7&sourceid=chrome&es_sm=122&ie=UTF-8

Summoning

Experts

Score: 10

Task Area

Congruence

Score: 6

There are no restrictions on summoning expert witnesses to their meetings.

In keeping with commitments contained in the Programme for Government, the number of parliamentary committees was reduced from 25 to 16 in June 2012. The aim was to strengthen the committee system by ending its role as a haven for disappointed non-ministerial members of the governing party. The Investigations, Oversights and Petitions Committee has been established and it will be chaired by a member of the opposition.

Further reforms were introduced in June 2012 including dissolving and reorganizing a number of administrative committees to reprioritize resources toward those dealing with government departments.

The Pre-Legislative Stage process now requires that ministers must present all non-emergency legislation before the relevant Oireachtas committee to allow for consultation with interested groups.

However, the reduction in the number of committees means that committees that were previously assigned on a one-to-one basis to monitor the work of government departments will now have to account for the work of as many as three departments. In one case – the Committee on Environment, Transport, Culture and the Gaeltacht – 21 members of the lower house and six senators, will supervise the work of three ministers and five junior ministers.

Audit Office

Score: 9

The Office of the Comptroller and Auditor General (OCAG) reports to the lower house of parliament. The OCAG attends meetings of the lower house's Public Accounts Committee (PAC) as a permanent witness. The results of the OCAG's independent examinations are used for PAC enquiries.

The PAC's effectiveness is enhanced by having the OCAG's reports as a starting point, and in turn the OCAG's scrutiny gains significantly in impact and effectiveness because its reports are considered by and used as a basis for action by the PAC. The PAC examines and reports to the lower house as a whole on its review of accounts audited by the OCAG. This process ensures that the parliament can rely on its own auditing processes and capacities.

Ombuds Office

Score: 7

The Office of the Ombudsman investigates complaints about the administrative actions of government departments, the health service executive and local authorities. Ireland largely follows the Scandinavian ombudsman model. The ombudsman acts in the public interest as part of an overall system

of checks and balances, as representing and protecting the people from any excess or unfairness on the part of government. The ombudsman reports to parliament at least twice a year.

Only twice in the 25-year history of the Office of the Ombudsman have its recommendations been rejected by government. In 2009 the ombudsman was invited to appear before the relevant parliamentary committee to explain her views on the matter. The fact that this sort of conflict has arisen so rarely, and when it did it attracted so much publicity, is evidence that the office generally operates effectively and has its findings accepted by parliament.

In addition to the main Office of the Ombudsman, there are separate ombudsmen for the national police force (the Garda Síochána Ombudsman Commission, GSOC), financial services, children, insurance, the army, the press, and pension issues. These offices are effective in listening to the concerns of citizens in their dealings with government agencies.

Media

Media Reporting
Score: 9

The Broadcasting Authority of Ireland (BAI) aims to ensure that “the democratic values enshrined in the constitution, especially those relating to rightful liberty of expression, are upheld,” and that broadcasting services are “open and pluralistic.”

The largest TV and radio stations in Ireland are operated by RTÉ, a state-owned public service broadcaster financed by revenue from the mandatory TV license, as well as by advertising. Since 1988, RTÉ has faced competition from privately owned radio and television stations. RTÉ devotes a significant proportion of TV and radio air time to news and commentary on current affairs and political issues. It also undertakes original investigative journalism. The privately owned TV and radio stations have to devote specified proportions of airtime to current affairs and public service programs. However, in terms of listener hours, music and entertainment outweigh current affairs and analysis.

The main stations produce high-quality information programs and programs devoted to in-depth analysis of government policy and decisions. They provide forums for discussions of current affairs, as well as outlets for opinions and grievances. These programs elicit reactions and responses from politicians. The two largest-circulation daily newspapers provide ample information on and analysis of government decisions.

The Press Council of Ireland provides an independent forum for resolving complaints about the press. In 2012, the United Kingdom’s Leveson inquiry

mentioned the Irish Press Council as a model.

Irish newspaper circulation (print and electronic versions combined) continued to fall over the review period, but the main journals are devoting additional resources to improved electronic dissemination of news and analysis.

Parties and Interest Associations

Intra-party
Democracy
Score: 5

The prime minister is elected by the lower house of the parliament and is usually the leader of the biggest party in parliament. The position of party leader is therefore of great significance.

In the 2011 general election, the vote shares received by the four largest parties were: Fine Gael (36.1%), Labour (19.4%), Fianna Fáil (17.4%) and Sinn Féin (9.9%). Smaller parties and non-party candidates obtained 17.2% of the votes. The procedures used by the major parties to select their leaders and presidential candidates are described below.

Fine Gael:

The party leader is selected by secret ballot of the members of the parliamentary party. The party selected its presidential candidate in 2011 at a special convention. Voting was by secret ballot, with an electoral college made up as follows: 70% member of the Fine Gael parliamentary party, 20% Fine Gael members of county and city councils and 10% by the 12-member Fine Gael executive council.

Labour:

When the party became the junior partner in the new coalition government, the party leader was automatically nominated as tánaiste or deputy prime minister. The leader of the party is elected at the national conference by vote of the party members. Following setbacks in the local and European elections in May 2014, the party elected a new leader in July, who then became deputy prime minister.

Fianna Fáil:

The party has a pyramidal structure based on the local branches or cumainn. There are approximately 3000 of these across the country. The party leader is elected by the party's serving members of parliament. When in power, the party president has always been elected Taoiseach (prime minister) by the serving members. In the past there has been controversy over votes of confidence in the party leader and whether these should be by secret ballot or a show of hands

Sinn Féin:

The president of Sinn Féin has held office since 1983. We, therefore, have no recent precedent on which to base expectations about how the next party leader will be selected. Since the party entered politics in 1986, no vote of confidence in the party leader has been tabled. The Ard Fheis (National Delegate Conference) is Sinn Féin's ultimate policymaking body, where delegates – directly elected by members of local branches (cumainn) – vote on and adopt policies.

Association
Competence
(Business)
Score: 7

During the economic crisis the capacity of the trade unions and the employers' and farmers' associations to influence policy was seriously diminished. However, these associations are staffed by economists and other experts who conduct detailed background research and make detailed – if selective – cases to support their favored policies. They make detailed submissions to the Finance Ministry during the annual budget process. The government takes some account of these arguments when preparing the budget and in formulating other policies.

Citation:

The number of independent commentaries and online policy forums has grown in recent years, see

<http://www.publicpolicy.ie/>

<http://www.irisheconomy.ie/>

<http://www.nerinstitute.net/>

<http://politicalreform.ie/>

<http://www.politics.ie/>

Association
Competence
(Others)
Score: 6

There is a strong tradition of interest associations and advocacy groups in Ireland, especially in the areas of health and social policy. While their influence was diminished by the financial constraints of the last six years, they continue to have an impact on policies relating to issues such as drug abuse, provision for people with disabilities, homelessness, asylum seekers, and perceived inequalities and injustices in Irish society. While many of these associations prepare relevant policy proposals, their emphasis is on advocacy rather than analysis. The most influential of these associations, Social Justice Ireland, evolved from an association of members of Roman Catholic religious orders.

Citation:

For Social Justice Ireland, see

<http://www.socialjustice.ie>

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