

SGI Sustainable
Governance
Indicators

2014 Ireland Report

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Executive Summary

Ireland's recent performance in sustainable governance has been dominated by two events that occurred just before the start of the period under review. In November 2010, the country negotiated a bail out from the ECB–EC–IMF Troika which imposed detailed conditions on economic policy in return for loans that ensured the country's solvency to 2016. Secondly, following the rout of the ruling parties in the February elections, in March 2011 a new coalition government took office.

The smooth transfer of power to a new administration and the continuity of economic policy from the old to the new governments during a period of economic hardship are positive indications of the quality of democracy. The new government issued a Programme for Government that committed it to constitutional change, reform of the electoral process and implementation of the Troika agreement.

The implementation of unpopular measures such as the launch of a new local property tax in 2013, the continuing – if limited – reform of the public sector and cuts in public spending speak well for the quality of governance over the past two years. The package of policy reforms as required by the Troika have supported sustainable developments of the economy over the past two years.

In keeping with the election promises made by several parties, a constitutional convention was established and began its work in December 2012. By May 2013, the convention had approved the following proposals:

- lower the voting age to 16;
- alter the “Women in Home” clause in the constitution;
- increase the participation of women in public and political life;
- introduce gender-inclusive language into the constitution; and
- to introduce a referendum on same-sex marriage for 2015.

The convention also agreed to continue its deliberations throughout 2013 in order to more fully discuss electoral system reforms, the expansion of voting rights and the removal from the constitution of blasphemy as a crime.

The Programme for Government included a commitment to abolish the Seanad or senate and move to a unicameral government. The schedule called for a referendum on this issue in autumn 2013. It seems unlikely that the wording of this referendum will be agreed within the year.

The Troika agreement includes detailed budgetary targets and a long list of economic reforms in taxation, deregulation, and privatization. Progress on these fronts has been made but remains uneven.

Since 2010 the government has been successful in mitigating the terms of Ireland's financial obligations under the European Stability Facility and the European Financial Stabilisation Mechanism, which resulted in some lightening of the country's debt burden. The cost of recapitalizing the banking system has also been significantly reduced. The yield on Ireland's medium-term debt peaked in mid-2011 and has fallen significantly since then. In its spring 2013 economic forecasts, the European Commission notes that Ireland's fiscal performance so far this year is in line with projections and is expected to remain on track for the rest of 2013.

Ireland's adherence to the Troika agreement over the past 30 months has been held up by the European Union as an example of successful fiscal consolidation.

Skeptics, however, point to the poor prospects for faster growth over the medium term, to the continuing overhang of sovereign debt due to the manner in which the resolution of the banking crisis was undertaken, to the crisis level of unemployment and the resumption of emigration on a significant scale.

In spring 2013, an impasse arose between the government and the public service unions concerning the implementation of further austerity measures on pay and working conditions. A resolution of this is crucial to achieving the budgetary targets laid down in the Troika agreement and will be a major test of the government's ability to manage change.

One of the recurring difficulties facing Irish governments has been effective delivery of (public) health services. This problem has not been successfully

tackled by the new government, with cost overruns and system breakdowns still all too frequent. The publication of a Future Health Roadmap in 2013 did not persuade commentators that the government will be capable of delivering effective change in this area or of implementing a proposed system of universal health insurance.

Key Challenges

After four years of budgetary austerity, in 2013 Ireland still faces a projected fiscal deficit of 7.4% of GDP and an unemployment rate of 14%. The official projection is that a primary (excluding interest) budget surplus will emerge and the debt/GDP ratio will peak in 2013. The underlying budget deficit is projected to fall to a sustainable 4.3% in 2014. These results will be dependent on the successful implementation of two more austerity budgets, which will contain further cuts in current and capital public spending and increases in the burden of taxation. It is also predicated on a rise in GDP growth from 1.3% to 2.4%. However, even if these targets are reached, the unemployment rate will remain over 13% and net emigration will continue at a significant level.

Official projections are based on the assumption that growth resumes in the European economy in 2014. If this does not occur, the targeted fiscal adjustment will become even more dependent on further fiscal restriction.

Later this year, Irish banks will have to undergo a further set of stress tests to comply with a Troika requirement. Poor results could force the government to funnel more capital into the largely state-owned banking system, in addition to the €64 billion already paid in. This remains a threat to the stated goal of returning to the international bond markets by 2014.

The range of realistic policy options open to Ireland is very limited, given the urgent need to continue to build confidence in public finances. Many criticisms of the Irish austerity program are really directed at policy at European level. For example, the Troika institutions place a heavy emphasis on structural reforms, especially in the labor market, to help reduce the unemployment rate. In fact there is little empirical evidence to suggest that the type of reforms envisaged would have a significant impact on the Irish labor market as long as aggregate demand remains stagnant. The emphasis on the contribution that increased competitiveness can make to countries in Ireland's situation tends to ignore the risk of "beggar my neighbor" policies between EU member states

and the influence of the external value of the euro on Ireland's trade with the United Kingdom and United States. In all these areas the outlook for the Irish economy is very dependent on improved economic management at European level.

Progress on many of the key financial challenges facing the country also depends on policies at EU level, such as the movement towards a genuine banking union, a resolution of the legacy banking debt and the further recapitalization of Europe's "zombie" banks. Ireland will undoubtedly continue its efforts to gain further concessions on several aspects of its agreements with the Troika. A successful outcome of these negotiations would make a significant contribution to the prospects for economic recovery. However, should the disintegration of the European Monetary Union continue and national banking systems become increasingly Balkanized, the transmission mechanism for the ECB's monetary easing will remain broken and the effects of its monetary loosening on Ireland will remain weak. As long as this is the case, the prospects for renewed investment by indigenous Irish firms will be uncertain. Finally, the overhang of internally held private debt (largely a legacy of the housing credit bubble) must be satisfactorily addressed before the Irish banking system can resume normal functioning.

The unfinished task of public sector reform is a pressing challenge. Another challenge is the adoption of legislation regulating the circumstances in which abortion may be performed in Ireland. The lower house of parliament voted by a margin of 127 to 31 to pass the Protection of Life during Pregnancy Bill 2013 (despite threats of excommunication from some of the bishops). The new law legalizes abortion in cases of medical emergencies or the risk of suicide. It is still a very restricted law – it does not cover rape, for example – and thus will not end all of Ireland's problems in this area.

Finally, the administration is relying heavily on a successful conclusion to the Convention on the Constitution and effective follow-up in the form of a series of constitutional referendums to achieve several important reforms in the democratic process.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 5

In November 2010, Ireland followed Greece in applying for a bail out from the Troika of the ECB, the European Union, and the IMF. The subsequent agreement provided the country with credits worth €85 billion in return for committing to a schedule of reducing the fiscal deficit to 3% of GDP by 2015.

This had the effect of largely removing discretionary fiscal policy from the hands of Irish politicians and decision makers and submitting the country's economic performance and policy-making to detailed three-monthly reviews by the Troika. As well as enshrining a strict timetable for reducing the fiscal deficit and recapitalizing the financial system, the agreement committed the country to a package of economic reforms that included a schedule of privatizations and deregulations, increased labor market flexibility and led to reductions in public sector pay and staffing.

In the two and a half years since the end of 2010, the country has received plaudits for its successful adherence to the terms of the agreement, most recently following the Tenth Review Mission, which concluded in May 2013. The actual budget deficit is still running at 7.5% of GDP and the structural budget deficit has been reduced by 4.4 percentage points of GDP.

Ireland has been held up as a model of a successful austerity program in which budgetary discipline has reduced the fiscal deficit and restored investor confidence. However, many Irish economists question the validity of this interpretation, which they believe to be driven at least in part by a desire to support the restrictive fiscal policies imposed by the Troika throughout the peripheral member states of the euro zone. These critics do not believe Ireland's success is unambiguously supported by the data. Critics point to the

persistence of a 14% unemployment rate despite the resumption of significant emigration, the stagnation of domestic demand and living standards, and the poor prospects for growth over the medium term.

The government has consistently fostered a favorable environment for inward investment, particularly through a low corporation tax regime that has been under fire from several European countries. Much of the growth that has been recorded since 2010 has been due to a high level of inward investment by multinationals and a strong export performance from these firms. The export-oriented multinational sector has relatively weak links with the domestic economy and it remains to be seen if it can act as an engine of growth sufficient to bring about a broad-based recovery in Ireland.

Citation:

The recent review of Ireland's Stability Program is available here:

<http://www.finance.gov.ie/documents/publications/reports/2013/spu2013.pdf>

The Troika's statement on its just-completed review (the tenth to date!) of Ireland's progress is here:

<http://www.irishtimes.com/news/politics/troika-urges-swift-action-to-deal-with-unemployment-1.1387453>

Labor Markets

Labor Market Policy
Score: 4

The government's labor market policies have not made a dent in this crisis. The stabilization of the unemployment rate since 2012 may be attributed in large part to a resumption of emigration and withdrawals from the labor force.

The increased provision of places on training and education courses forms part of the government's response to the unemployment problem. Responsibility for implementing this lies with Ireland's national training and employment agency, An Foras Áiseanna Saothair (FÁS). This institution has been weakened by scandals and public criticisms over recent years. In this area policy-making has not been effective.

The program agreed with the Troika placed considerable emphasis on structural labor market reforms and activation measures such as reducing the minimum wage, reforming the unemployment benefit system to increase incentives to move from unemployment to employment, and generally reducing poverty-welfare traps. There is little to suggest that these measures have been effective.

From a macroeconomic perspective, it is unrealistic to expect reforms of this nature to have a major impact. The structural problems that existed in the Irish labor market did not prevent the achievement of full employment during the

boom and the changes that are now being urged, while desirable, are not likely to make a serious contribution to restoring full employment. Aggregate demand remains weak and the prospects for recovery uncertain given the combination of weakening external demand and the prospect of two more years of budgetary austerity.

The statement issued by the Troika at the conclusion of its tenth review of Ireland's program in May 2013 shifted the responsibility for action on the unemployment problem to the government. It implied that the familiar list of structural reforms and increased competitiveness were the appropriate instruments, while also hoping for some rebound in aggregate demand.

Taxes

Tax Policy
Score: 6

The collapse of tax revenue after 2007 led to the emergence of a budget deficit equal to 12% of GDP. By 2012, new income levies and increases in the "universal social charge," combined with cuts in public service pay and reductions in the provision of public services, had reduced the deficit to a projected 7.4% of GDP in 2013. About two thirds of the fiscal improvement is attributable to cuts in expenditure and reduction in services, while one third has been due to increased taxation. This mix is expected to continue to apply as the country moves towards the goal of reducing the deficit to 3% of GDP by 2015.

The structure of taxes and charges for public services figures prominently in the 2010 agreement with the Troika. A new local property tax has been introduced and will be payable on almost all residences in the country from May 2012. Whether these measures will be sufficient to reach the 2015 target depends heavily on the evolution of the economy over the next two years.

The income tax system is very progressive by international standards and the tax system as a whole is broadly progressive. Over 30% of the overall adjustment was borne by the richest 10% of the population and approximately 70% by the richest four deciles.

Ireland has long relied on a low corporate tax rate as an instrument to attract foreign direct investment (FDI). This policy has been based on the a philosophy of generating tax revenue from a low tax rate on firms with a high turnover in Ireland, which has been vindicated over time and is broadly supported by the electorate.

Indirect taxes are somewhat higher than in the neighboring jurisdiction (the

United Kingdom), but the possibility of cross-border shopping and smuggling ensures that the main tax rates are kept fairly closely aligned with those in the United Kingdom.

Citation:

On the progressiveness of the Irish income tax system see

Donal De Buítléir,

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

Budgets

Budgetary Policy
Score: 4

Significant progress towards correcting the budget imbalances has been made over the past two years, but there is still a long way to go before the target of reducing the deficit to 3% is reached. This target is considered sustainable given current interest rates and the projected rate of growth of nominal GDP. Further progress depends on maintaining political support for implementing two more austerity budgets. The economy and financial system are still fragile and the program could be blown off course by the protracted recession in Europe, and the ongoing instability of the European monetary and banking system.

The fiscal policies being pursued under the Troika are clearly pro-cyclical, reducing domestic demand at a time of exceptionally high unemployment. It remains to be seen if the countervailing increase in confidence due to the slowly improving fiscal balance will counteract these negative forces and allow the economy to grow. It is doubtful if the fiscal targets set for 2015 can be achieved if unemployment remains at its peak and employment fails to expand.

Research and Innovation

R&I Policy
Score: 5

Support for research, development and innovation (RDI) continues to figure prominently in the rhetoric of Ireland's educational and industrial policies. The state industrial promotion agencies exploit the fact that state aid to industry is compatible with EU policy, provided that it fosters RDI.

In education, the Science Foundation Ireland (SFI) organization is responsible for the National Strategy for Science, Technology and Innovation 2006-2013. This strategy received a major boost under the National Development Plan (2007-2013). However, the amounts allocated for the next round of research awards have been scaled back as part of the general austerity program.

While policy is supportive of research and innovation in indigenous firms, the most striking success of Irish industrial policy has been in attracting foreign-owned firms in high-tech sectors to Ireland. There have been several recent announcements of significant investment in RDI activities by foreign-owned (especially U.S.) firms. The location of these activities in Ireland has created opportunities for innovative small Irish firms to develop technologies enabling them to supply inputs to the new foreign-owned firms. The adequacy of the throughput of graduates with the skills sought by new firms in biotechnology and IT remains an issue. Many of the new high-tech firms located in Ireland have to recruit employees from abroad to meet their skill needs.

Ireland's overall information and communication technology readiness appears to continue to lag. Data in the World Economic Forum's latest Global Information Technology Report (March 2012) show Ireland dropping down the rankings on most items. On the Networked Readiness Index, Ireland ranked behind most other northern and western European countries and also scored poorly on infrastructure, digital content and on government prioritization and usage of ICT.

Global Financial System

Stabilizing Global
Financial Markets
Score: 4

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 European institutions, principally the ECB.

By spring 2013, Ireland had received only marginal relief on the debt burden incurred by the Irish state to avert a European-wide banking crisis in 2009. No adjustment has been made in light of the recent "bail in" of bondholders and depositors in Cyprus. The burden of the legacy of the Irish banking crisis remains a burning issue and will have a major bearing on the prospects for renewed growth in the Irish economy.

Ireland negotiated a bail-out program with the ECB–European Union–IMF and adhered to its terms and conditions. This has made it something of a "poster boy" for the austerity programs being implemented in many European countries, supporting the belief that recovery is possible in cooperation with international financial institutions.

II. Social Policies

Education

Education Policy
Score: 6

Quality:

Most evidence points to the conclusion that the Irish education system is average or slightly above average by Western European standards.

However, employers frequently claim that there is an inadequate output of suitably qualified and skilled graduates from the second and third levels of the education system, especially in the high-tech areas which the industrial development agencies are anxious to grow in Ireland. 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.

Equity:

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 fairness of the two-tier structure of the secondary education system is currently being debated. A small minority of pupils attend fee-paying schools where state subvention 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. The level of subventions to these schools has been reduced.

At present, third level universities and colleges do not charge fees, but it is government policy to reintroduce them by 2014.

During the economic crisis the unemployment rate soared and marked differentials have emerged between those without much formal education and the better-educated groups.

Efficiency:

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

Social Inclusion

Social Inclusion
Policy
Score: 7

During the recession, Irish social and economic policy has continued to place a high priority on poverty reduction. The poorest groups in society have been protected from the worst effects of the recession. Although the rise in the unemployment rate and the fall in the employment rate has 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.

The most recent published results of the Survey on Income and Living Conditions (SILC) show that the incidence of poverty rose from 14.1% in 2009 to 16.0% in 2011, and the deprivation rate from 17.1 to 24.5.

The continuing recession places a severe strain on the country's ability to maintain its relatively high rates of social welfare payments. Public spending on social protection was 65% higher in 2012 than in 2007, and rose as a percentage of total current public spending from 17% to 31%.

Citation:

The 2013 Budget contains an Annex that reviews the effects of recent budgetary changes on income distribution:

<http://budget.gov.ie/Budgets/2013/Documents/Annex%20F%20-%20Progressivity.pdf>

Health

Health Policy
Score: 5

Quality:

During the period under review, the task of rationalizing and streamlining the

delivery of public health services has continued in the face of opposition from those living in areas that are losing their small-scale hospitals and units in favor of a smaller number of more centralized “centers of excellence.” The gradual improvement in the overall delivery of health care and outcomes has often received less than its deserved publicity. Measured in terms of outcomes (life expectancy, infant mortality rates, survival rates from major illnesses), the system compares reasonably well with those of other western European countries.

Inclusiveness:

The Irish health care system is a two-tier system, 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. The rising cost of private health insurance is leading to a steady increase in the numbers relying entirely on the public health system. Problems with access to health care provoke more complaints and controversies than any other public service in Ireland. These center round waiting lists and overcrowding rather than the quality of the care. In many areas the quality of the medical care that is provided through the public health system compares favorably with that provided through the private system. In November 2012, the government published a new strategic plan called “Future Health.” One of its core aims is to introduce universal health insurance.

Cost efficiency:

The Irish health system is costly relative to GDP despite the favorable (that is, relatively young) population age structure. When spending is standardized for the population age structure, Ireland emerges as having the third highest level of health expenditure relative to GDP among the OECD countries. In their most recent review of the agreement with Ireland, the Troika expressed concern about the continuing overruns in health spending and now intends to monitor this spending monthly.

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 a 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 outside the home than in those in which only one spouse works outside the home.

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 tax rates. At the tax rates in force in 2013, when combined income exceeds €65,600 the marginal income tax rate is 41% to which must be added an additional 7% social charge and 4.5% social insurance levy. The gain in after-tax pay for a spouse entering paid employment can therefore be as little as 47.5% of gross income before any allowance is made for child-care expenses. These cannot be claimed against tax.

Child benefit has been significantly reduced in recent budgets and is now payable for dependent children at a rate of €130 per child. This benefit does not vary to take account of whether the mother is employed outside the home.

The continuing economic crisis has had a more severe impact on employment opportunities for men than for women, as is to be expected in view of the collapse of employment in the construction sector and the relative stability of employment in services.

Since 2008, the female unemployment rate has risen from 4.0% to 10.7%, but the male rate has risen from 5.7% to 17.0%. The fall in labor force participation among males has been proportionately larger than among females.

Pensions

Pension Policy
Score: 6

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

Poverty Prevention:

The state pension is not income related. It provides €920 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 has been held at the same rate since the onset of crisis, despite the general fall in incomes and a period of falling prices in 2010-11.

Ireland ranks among Europe's best – alongside the United Kingdom and the Netherlands – for 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 fall in annuity rates (which increases the liabilities of these schemes).

Fiscal Sustainability:

The state pension scheme is largely 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 will age rapidly over the medium term. This has led to repeated predictions of a pensions crisis unless the age at retirement 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.

Intergenerational Equity:

The pension reforms introduced over the past four years will eventually increase the equity of the Irish pensions system across generations. At present, inequities arise because the current generation of pensioners enjoying the state pension or public sector pensions did not contribute adequately through taxation and direct pension contributions to fund the level of pensions they receive. Those now in the workforce are unlikely to enjoy comparable levels of pension when they reach retirement age. Furthermore, although some adjustments have been made to pensions since the crisis of 2008, these have been smaller than the adjustments to the after-tax income of those who are in employment. Finally, Irish pension law gives retired members of defined benefits schemes priority among the claimants to the schemes' assets. The deficits that have emerged in these schemes imply that active members are contributing to support pensions that exceed what they are likely to actually

receive when they reach retirement age.

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. Although there has been net emigration of non-Irish nationals since 2008, the 2011 census revealed that the foreign-born proportion equaled 17% of the total, of which over half were born outside the United Kingdom and the United States. However, over 70% of the immigrants to Ireland have the right to reside, work and own property in the country by virtue of their EU citizenship.

The unemployment rate among non-nationals (and 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 does not seem to be an issue, although small minorities face obvious difficulties in a country that is still overwhelmingly Irish, while their children face additional difficulties in a school system that is still largely under Roman Catholic management.

There is no explicitly anti-immigrant political party in Ireland, and immigration was not a prominent issue in the 2011 general election.

Safe Living

Safe Living
Conditions
Score: 7

Irish crime rates are relatively low by international standards. Violent crime has declined somewhat during the recession, while crimes against property have

risen slightly.

The low serious crime rate has been a longstanding feature of Irish society. It is difficult to gauge how far this should be attributed to the effectiveness of internal security policies.

The police force enjoys a good relationship with the majority of the population, although tensions exist in certain areas and with certain social groups.

With the decline in the threat posed by Republican activity, the rise of organized crime and gangland activities related to the drugs trade has become the biggest single threat to internal security. There is also some overlap between membership of dissident Republican groups and criminal gangs.

Despite the increase in the use of firearms by criminals, the main police force remains unarmed. The low detection and conviction rates for gangland crimes are disturbing. The difficulty of obtaining convictions is increased by witness intimidation, which has occurred in some high-profile trials.

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.

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:

A carbon tax was introduced in 2010. Early in 2013, the government published a draft Climate Action and Low Carbon Development Bill. Bearing in mind that Ireland's greenhouse gas emissions amount to only about 0.1% of the global total, policy in this area is largely symbolic. However, Ireland has exercised leverage on European environmental policy. It has been among the first in the European Union to introduce and increase a carbon tax and push for the re-calibration of tax applied to cars and other vehicles to reflect their emissions performance. 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.

Steps are being taken to protect renewable water resources in two relevant areas: under the terms of the Troika agreement, water metering on all residences is to be introduced by 2014 and measures are belatedly being taken to tackle violations of ground water directives by inspection of septic tanks in rural areas. Most residences in Ireland do not have water meters and the installation of meters will be a major challenge.

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 seems likely to be postponed in response to concerns about the potentially adverse effects on the amenity value of these lands assets.

Ireland is broadly compliant with EU directives on biodiversity and in enforcing measures to protect wildlife and flora. An extensive rural environmental protection scheme has sought to encourage farming in a sustainable and environmentally sensitive manner.

Citation:

Climate Action and Low Carbon Development Bill 2013

<http://www.environ.ie/en/PublicationsDocuments/FileDownload,32468,en.pdf>

Global
Environmental
Policy
Score: 7

Global Environmental Protection

Ireland's contribution to global environmental protection comes mainly from its involvement at European level. The road map from Ireland assists in shaping and advancing the European and global environmental agendas. Ireland has accepted ambitious targets for renewable energy, supported by significant taxes on conventional sources of energy, so can claim to be taking global environmental issues seriously.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

Candidacy procedures are fair and do not overtly discriminate against parties or groups. There have been no changes in this area in recent years, but some relevant issues are being considered by the Convention on the Constitution. Ireland is “famous for electing more independents than the rest of Europe together,” (Gallagher 2011) and this practice rose to a new high at the watershed 2011 election when 14 independents were elected to the Dáil.

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: Palgrave.

Media Access
Score: 9

As in the past, Irish elections continue to receive widespread and detailed coverage in the press, on radio and on TV. There are strict rules regarding media coverage – especially on radio and TV – 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.

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 referendums. 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.

A person must be ordinarily resident at the address recorded in the electoral register on the September 1 prior to the coming into force of the register. There is limited provision for postal voting. There is no register of the population in Ireland on which the register of voters might be based. Instead an electoral

register is compiled by local authorities.

While there is no evidence of systematic discrimination or disenfranchisement of any social groups in the compilation of the electoral register, inconsistencies have been repeatedly exposed, displaying a lack of investment in the electoral process and even a lack of concern for its integrity.

The new Programme for Government published in March 2011 contained a commitment to establishing a Convention on the Constitution to consider comprehensive reforms, including “a Review of our Dáil electoral system.” The Convention on the Constitution – an experiment in deliberative democracy – has recommended lowering the voting age from 18 to 16. The government is due to announce whether or not it will implement this change. The Irish Times has reported that the cabinet has accepted this recommendation and the issue of lowering the voting age to 16 will be put to the people in a referendum.

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>

Party Financing
Score: 9

The financing of political parties in Ireland is supervised by the Standards in Public Office Commission. Each of the 14 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 2011, and reflects the situation during an election year before the changes of the 2012 legislation were introduced. The total value of donations disclosed by parties during 2011 was €266,484.98, averaging €1,330 per recipient. The overall election expenses incurred on behalf of candidates and political parties at the 2011 general election amounted to €9,277,638, a decrease of approximately 16% on the figure reported for the 2007 general election, even though there were 100 additional candidates in 2011.

In keeping with a commitment in the Programme for Government, the Electoral (Amendment) (Political Funding) Bill, which passed into law in July 2012, addressed several issues relating to the financing of political parties. The

Popular Decision-
Making
Score: 5

thresholds for disclosure of donations were reduced. Political party accounts must now be published and the transparency of donations has been enhanced. Furthermore a quota system will be introduced to ensure that 30% of all candidates at election are women. Failure to comply will result in a cut in political funding from the state.

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 referendums. The main constitutional provision for referendums 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.

In November 2012, a new political party – Direct Democracy Ireland – was registered. The 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 plans to run candidates in the 2014 local and European elections.

The financial and economic crisis also stimulated an unprecedented level of debate concerning the need to reform Ireland’s political institutions. In their 2011 general election manifestos, all the parties promised an agenda of reform that would include active engagement of the citizens, with one party (Fine Gael) suggesting setting up a citizens’ assembly to review the reforms that might be needed. Following the election, the Programme for Government (the joint manifesto of the Fine Gael and Labour Party coalition government) included a commitment to establish a constitutional convention, but the details were left vague.

The parliament founded a Convention on the Constitution, a forum of 100 people, 66 of whom are ordinary citizens selected by stratified random sampling (quotas for region, gender, age, socioeconomic status). Thirty-three are politicians from the Irish parliament, and a chairman is appointed by the

government. In 2012, the convention presented recommendations to parliament to amend the constitution, including a timeframe for a referendum.

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>

Access to Information

Media Freedom
Score: 10

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 October 1, 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 January 1, 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.

Media Pluralism
Score: 8

A wide range of newspapers – national and local – are 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 also 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 systematic 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.

Access to
Government
Information
Score: 8

Freedom of Information (FOI) legislation was introduced in Ireland in 1997 and amended in 2003. It provides for public access to data and information about decision-making in the public administration, subject to the exclusion of 12 areas (including defense, government meetings, areas of commercial sensitivity, etc.). The scale of charges introduced and the wide range of offices and material excluded from the scope of the act were the subject of much criticism. A new act, introduced in 2012 but not yet passed into law, addresses some of these criticisms. Under the proposed legislation the cost of internal review would be reduced from €75 to €30 and appeal fees from €150 to €50. The bill also significantly extends the coverage of the legislation to include some commercial state companies and the police force (An Garda Síochána).

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, unemployment, etc.) are made available to ministries shortly before their publication, but they have no right to alter these data or to interfere with the manner in which they are presented. The Irish CSO enjoys a good reputation internationally in both its independence from political interference and the technical competence of its staff.

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.

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. The present coalition government is committed to removing the provision relating to blasphemy from the constitution.

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.

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.

The Civil Partnership and Certain Rights and Obligations of Cohabitants Act was passed in 2010. The act sets out the rights and obligations that civil partners have towards each other. These are broadly the same as the rights and obligations of married couples. On registration of a civil partnership, civil partners are treated in the same way as spouses under the tax and social welfare codes. However, the act does not change the law on issues relating to children, such as guardianship, adoption, custody, access or maintenance. The Convention on the Constitution has recommended the introduction of same-sex marriages, which would have to be passed by a referendum. In 2012, a referendum was passed to amend the constitution to explicitly recognize the rights of children and generally provide enhanced protection to children.

Rule of Law

Legal Certainty
Score: 7

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 and town and rural planning. In the continuing economic crisis that followed the crash of 2008, there has been much less scope for corruption in relation to development and public contracts and public concern about these issues has waned.

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 the high court. 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.

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. Although judges' pay and pensions had been shielded from the cuts in public sector pay implemented during the economic crisis, a huge majority voted in a referendum in October 2011 to remove this protection. This, combined with changes in the manner of appointment of insolvency judges, led the Association of Judges of Ireland to call 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.

The Supreme Court has been relatively infrequently involved in major social issues where a political or ideological division could emerge. The court's interpretation of the constitutional provisions that narrowly restrict access to abortion have been widely accepted by all sides to the acrimonious debate on this issue. The problem of incorporating these provisions into positive

Corruption
Prevention
Score: 7

legislation has been left to the Oireachtas.

The legal framework and rules regarding standards in public office have been progressively tightened and extended over time in Ireland. Nonetheless, and perhaps because of the scale of the economic crisis that broke in 2008, perceptions of corruption have, if anything, increased – especially concerning the banking sector. This impression is borne out by the Corruption Perceptions Index compiled by Transparency International. In 2008 Ireland ranked at 16th out of 179 nations in terms of perceived corruption. The methodology used to calculate the index was changed in 2012 and Ireland was demoted to 25th place. This may be accountable for by public frustration with the prolonged economic crisis and the slow pace of criminal prosecution of those suspected of corrupt banking practices.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 5

The approach to strategic planning in Ireland has been ad hoc and crisis driven. In keeping with a commitment to the Troika, a fiscal advisory council was formed and held its first meeting in July 2011. It monitors fiscal trends and comments on progress towards restoring financial stability. Its role is largely to comment on the government's progress in achieving the goals contained in the fiscal stability program.

The state also part-funds bodies such as the Economic and Social Research Institute and the National Economic and Social Council, which provide analysis and commentary that exert some influence on government decision-making.

Scholarly Advice
Score: 5

Academics have always enjoyed quite a high profile in Irish journalism and have been forthcoming with commentary and advice on public policy. During the bubble period, Irish academic opinion was by no means united about the prospects for a "soft landing" for the Irish economy. Some did warn about the impending housing and banking bubbles and the need for greater fiscal prudence, but many tended to minimize the risks involved.

Since the crisis there has been a significant increase in academic commentary on economic and social policy through websites such as www.irisheconomy.ie, www.politicalreform.ie, www.politics.ie and www.publicpolicy.ie.

Academics have regularly held advisory posts in government ministries, including the prime minister's office and the department of finance. 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.

Advisors meet regularly with their ministers but there is no information on the impact on policy-making 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:

The official blog of the Political Studies Association of Ireland (PSAI) is at www.politicalreform.ie

Interministerial Coordination

GO Expertise
Score: 6

The ability of the prime minister's office to alter the views taken by the line ministries is crucially dependent on the analytical skills of its staff. In a public service that is short on analytical skills and training, the prime minister's office is not preeminent, a fact that weakens its influence. The Department of the Taoiseach has been reduced in size with the aim of turning it into the equivalent of a cabinet office. The Programme for Government Annual Report for 2012 says that "A significant number of staff were transferred to the Department of Public Expenditure and Reform. In addition, a new EU Affairs Division was established, together with an Office of the Tánaiste and a Programme for Government Office."

The Troika agreement calls for a significant enhancement of the analytical skills and expertise of the finance ministry and this is occurring. It will tend to reinforce the dominance of finance at the expense of the prime minister's office.

Citation:

The Programme for Government Annual Report for 2012 can be found at:

http://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_2011/PfG_Progress_Report_March_2012.pdf

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.

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: 5

Ireland does not have a well-developed or highly institutionalized system of cabinet committees. To the extent that they are used, this takes place on an ad hoc basis. However, 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.

Ministerial
Bureaucracy
Score: 6

Responsibility for policy coordination lies with the Department of the Taoiseach. Its effectiveness in this area is difficult to judge, but may be assumed to depend on the powers and competence of the department. As outlined in response to earlier questions, these are limited and as a result it is likely that, despite much rhetoric about “joined up government,” the coordination of policy proposals is relatively weak.

Informal
Coordination
Score: 8

The coalition government agreed on a joint program following its election in 2011. This outlined the policies agreed between the coalition partners for implementation over the government’s five-year term. The continued survival of the coalition depends on the successful coordination and implementation of this program. In March 2013, the second annual review of progress in implementing this program was published. One innovation is that the government also set up a program for the Government Office. The Government Office monitors the implementation of the commitments contained in the program across all departments. It also ensures that all departmental strategy statements reflect the programmatic commitments for which that department is responsible. An annual report, published in March, then sets out the progress made across government towards meeting those commitments and reflects the priorities for the coming year.

Despite strains and stresses, the coalition has survived for two years, which indicates some effective policy coordination. 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.

During 2013, however, strains between the coalition partners have become more visible over some key issues. The poor electoral performance of the Labour Party in a by-election provided strong evidence that its supporters had lost patience with, and trust in, the austerity program that has been pursued since 2011. By summer 2013, tension had also emerged between the two coalition parties over the wording of legislation to regulate abortion in Ireland.

It is generally believed that these strains will not lead to the break up of the coalition because neither party would relish the prospect of fresh election at the present juncture.

Citation:

http://www.taoiseach.gov.ie/eng/Publications/Publications_2013/Programme_for_Government_Annual_Report_20131.pdf

Evidence-based Instruments

RIA Application
Score: 5

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, RIA is used by all government departments and offices.

It is applied to:

- proposals for primary legislation involving changes to the regulatory framework
- significant statutory instruments
- proposals for EU directives and significant EU regulations when they are published by the European Commission
- proposals for legislation by policy review groups

Prior to the discussion of legislative proposals by cabinet committees, RIAs are prepared by departments for consideration by relevant senior officials.

In reality, the range of RIAs completed and published is narrow. The last published 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.”

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

Quality of RIA
Process
Score: 5

The RIA process has not achieved all of the goals listed in this question. In particular, the accessibility and communication of the RIAs that have been performed is poor and independent quality evaluations of RIAs are not conducted.

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: 4

The Irish model of “social partnership” – which was given much credit for the success of the economy during the boom years – broke down and was abandoned during and after the 2008 crisis. The system of centralized national wage agreements collapsed at the end of 2009. The government imposed income cuts of between 5% and 8% for about 315,000 public servants in the 2010 budget. This followed the earlier imposition of a 5% levy on public-sector incomes, described as a levy to help fund the generous defined benefit pensions enjoyed by public-sector workers. The private sector was left to its own devices over pay levels.

In place of national wage agreements, a public sector agreement was negotiated in 2010 – the Croke Park Agreement – covering the period 2010-2014. This agreement committed public servants and their managers to working together to change the way in which the public service does its business so that both its costs and staffing levels can fall significantly, while nonetheless guaranteeing a degree of wage and employment stability.

As the expiry of this agreement approaches, negotiations for a new agreement (Croke Park II) were concluded in March 2013 and were voted on by the public sector unions in April 2013.

Its rejection represented a setback to the government’s approach to maintaining social cohesion in the face of the austerity measures required under the stability program. It remains to be seen how the impasse that has arisen will be resolved.

In the present straitened economic situation the government consults to a much lesser extent with economic and social actors than was the case during the boom. Private sector pay is now a matter for negotiation between employers and employees without government interference.

Policy Communication

Coherent
Communication
Score: 8

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 is a clear incentive to produce a closely coordinated communications strategy.

At present the introduction of legislation to permit abortion in certain circumstances has led to contradictory statements by government ministers, while tensions within the coalition are evident from differing views on economic strategy and austerity.

Implementation

Government
Efficiency
Score: 7

The coalition government formed in 2011 agreed a program called Government for National Recovery 2011-2016. This set out a legislative program and goals for economic management. The latter was very constrained by the agreement with the Troika.

The two progress reports that have since been published presented favorable views of the achievements of government during its first two years in office. However, close reading of the reports reveals that much of the reported progress represents initial plans, such as the publication of bills and plans, rather than final outcomes.

The process of reviewing the program for government is nonetheless commendable. Later evaluations will provide a clearer picture of how much of the legislative program is likely to be accomplished during the life of the present government.

There is little doubt though that because of the crisis the government has stepped up the volume of its activities during its first two years. 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 states that 57 new pieces of legislation were enacted in the last 12 months (and lists these acts in an appendix.) To put this in context, the average number of bills passed in a year from 1959 to 2008 has been calculated at 37. To accomplish all this activity, parliamentarians are taking fewer holidays and the numbers of days that the Dáil is in session have been increased by 20-30%.

Citation:

The Review of the Programme for Government is available at:

http://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_2011/PfG_Progress_Report_March_2012.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

As had been the case in the previous coalition, the parties participating in the present coalition have different agendas and priorities. The allocation of ministries between these parties has a significant influence on the coherence of policies in various areas.

Under the Irish system, individual ministries (departments) are to a significant degree independent fiefdoms that can be used by individual ministers to pursue their self interests – chief among them boosting their chances of reelection – rather than any comprehensive government objective. The system also requires even senior ministers to spend considerable energy and time in local constituency work, because few are sufficiently distanced from the risk of losing their seat at the next election.

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 an independent commission.

Ministers select their own advisors and consultants and these exercise considerable influence. For the most part, however, individual ministers do implement government policy. The ultimate sanction can be exercised by the Taoiseach during cabinet reshuffles.

Monitoring
Ministries
Score: 7

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 finance tries to reconcile the total with the global amount available for public spending, which is now severely constrained by the terms of the Troika agreement. Effective monitoring of line ministry activities and spending has been lacking in certain key areas. The ministry of health has consistently overrun its budgetary allocations, to the point where the Troika has now begun monthly monitoring of its spending.

Monitoring
Agencies,
Bureaucracies
Score: 5

The Health Services Executive (HSE) is the executive agency responsible for spending the public funds for health care. Cost overruns and poor outcomes have been a persistent feature of this 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 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.”

The latest available annual report is for 2011. This contains numerous details of overspending and makes many recommendations for improving the financial administration of the public sector. These echo similar past recommendations that have not always produced results.

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.

Task Funding
Score: 6

In 2011 (the latest year for which data are available), subnational units of government raised only 43% of their current and capital revenue from their own resources. The remainder came in grants from the central government. Subnational units of government have always been heavily dependent on the central government for funds, but the collapse of property construction and development activity further weakened the finances of local authorities.

Under the agreement with the Troika, however, a national local property tax has been introduced and will be payable from June 2013. A proportion of the proceeds of this tax will be allocated to local authorities to provide services. It is hoped that this major change will increase the responsiveness of local authorities to their electorates.

Constitutional
Discretion
Score: 5

Ireland is a unitary state, without regional self-government or a significant degree of autonomous local 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.” There has been no significant development through legislation of autonomous local government during the existence of the independent Irish state.

In keeping with its poor constitutional foundation, the role of subnational government is perceived as narrow and weak by the electorate. Most of the units of local government – the counties and county boroughs – are small and many have weak economic bases. The smallest county has a population of less than 30,000 people.

National Standards
Score: 7

Eight regional authorities have been formed, comprised of groupings of counties, and they coordinate some of the county/city and sub-county activities, while monitoring the use of EU structural funds. However, these have done little to improve the functioning of local government. They have, however, led to some proliferation of quasi-autonomous non-governmental organizations (quangos). The present government included a streamlining and rationalization of these organizations in its program, but little progress has been made in this area so far.

Most of the main public services (health, social welfare, education, public transport and building and maintaining the primary national road network) are controlled and provided by central government and there is little scope for influence at local level.

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 in this area. 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. In the 40 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.

In the financial and monetary area, Ireland's 2011 bail-out agreement with the Troika fundamentally altered the country's decision-making structures with regard to fiscal policy. The loss of sovereignty entailed in this agreement is seen in the close monitoring of the country's budgetary arithmetic and the targets set out in the agreement. Ireland has been successful in implementing this agreement, to the point where it is held up as an example of successful cooperation with the ECB–European Union–IMF.

International
Coordination

The severity of the economic crisis that Ireland has faced since 2008 reduced the attention and resources devoted to its role in promoting the provision of global public

Score: 6

goods. However, the commitment to maintaining a relatively high level of overseas development assistance has been honored and Ireland has also played its part in the development of the European response to climate change.

Organizational Reform

Self-monitoring
Score: 7

The belief that government structures and parliament do not provide effective government gained ground and led to calls for a radical rethinking of some provisions in the constitution. The Convention on the Constitution was convened in July 2012 and is considering some proposals to reform the institutional arrangements of government. The more controversial proposals contained in the Programme for Government, such as the abolition of the Seanad (upper house), a reduction in the size of the national parliament and greater scope to draft outside experts into the cabinet, have not yet been addressed. By the time the convention has completed its work, some important reforms of arrangements for government may be proposed.

In the meanwhile, some reforms have been introduced by the present government, including an increase in the working hours of the parliament and some reforms of the committee system. There are certainly more reforms being discussed and contemplated than at any time in decades.

Institutional Reform
Score: 6

The crisis has prompted serious discussion of institutional change, such as the abolition of the Seanad, a reduction in the size of the lower house, and changes in the voting system. The government elected in 2011 has undoubtedly made some significant changes in institutional arrangements and more may emerge from the Convention on the Constitution. However, to date the pace of change has been slow and the changes that have been implemented are not radical. Swifter and more radical change was called for in the wake of the dramatic policy and governance failures that contributed to the severity of the crisis.

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.

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 in Ireland – 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.

The level of debate on the economic and financial crisis has been fairly high. Technical issues concerning bank solvency, sovereign debt and fiscal policy are now discussed in newspapers and on the airwaves in greater detail and with more sophistication than would have been imaginable in the past.

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 advisors and experts, there is no system of internships that allows members to recruit researchers and there is 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.

Obtaining
Documents
Score: 7

Parliamentary committees have the power to send for persons, papers and records; to require attendance by ministers in order to 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.

Summoning
Ministers
Score: 7

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 hearings.

Moreover, there are limitations on the range of issues on which ministers can be questioned. Neither ministers nor civil servants can be asked about cabinet-level decision-making, apart from procedures and administrative issues.

However, cabinet ministers regularly attend committees and assist them with their work.

In 2012 the government approved the drafting of legislation to provide for the Oireachtas to undertake inquiries within the existing constitutional framework, which may include, among other matters, setting up inquiries that hold the current government to account.

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 towards those dealing with government departments.

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 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 Garda Síochána (the national police force), financial services, children, insurance, the army, the press and for pensions. 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.”

RTÉ operates the largest TV and radio stations in Ireland. It is a state-owned public service broadcaster financed by revenue from the mandatory TV license, as well as by advertising. It claims to be “Ireland’s cross-media leader, providing comprehensive and cost-effective free-to-air television, radio and online services, which are of the highest quality and are impartial, in accordance with RTÉ’s statutory obligations.” 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 UK Leveson inquiry mentioned the Irish Press Council as a model and suggested that some of its procedures should be imitated in Britain. Irish newspaper circulation has fallen steeply in recent years.

Parties and Interest Associations

Intra-party
Democracy
Score: 5

A candidate for the presidential office must be nominated by at least 20 members of the parliament or by at least four local authorities. A former or retiring president is eligible for re-election and may nominate him/herself. 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 four leading parties in terms of share of the vote 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 major parties use the following procedures to select their leaders and presidential candidates:

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:

The party's 2011 presidential candidate was chosen jointly by the party's national executive and the Labour Parliamentary Party at a special convention. When the party became the junior partner in the new coalition government, the party leader was automatically nominated as Tanaiste or deputy prime minister. The leader of the party is elected at the national conference by vote of the party members.

Fianna Fáil:

In the 2011 presidential campaign the party, for the first time ever, decided not to run a candidate and not to support the nomination of a candidate. The decision was made at

a meeting of the parliamentary party and was in line with the recommendations of the six-person subcommittee formed by the party leader to consider the matter. When forming majority governments in the past, the party always adhered to the principle that the party leader became prime minister and the deputy leader became deputy prime minister.

Sinn Féin:

The party discussed the choice of candidate for the presidential election at its party meeting in June 2011 and referred the matter to its high council. The party's decision was announced after the council meeting in September. As the party did not have enough elected members of the parliament to nominate their preferred candidate, they relied on the support of three independent parliamentarians to effect the nomination. The party has not yet formed part of a government in the Republic of Ireland.

Association
Competence
(Business)
Score: 7

The ongoing economic crisis has weakened the capacity of the trade unions and the employers' and farmers' associations to influence policy. While 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, their capacity to influence policy was undermined by the collapse of broad-based “national understandings” after the crisis of 2008. Their role was further marginalized by the fact that many budget parameters are now set out in the Troika agreement. Nevertheless, the Troika and the government consult with interest groups when preparing the annual budget and these discussions have some influence on policy. However there is no prospect of an early return to the pre-2008 situation where interest associations had a very significant role in framing social and economic policy.

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

Association
Competence
(Others)
Score: 6

As has been the case with economic interest groups, the influence of non-economic groups has been diminished by the crisis. While a large variety of special interest and advocacy groups continue to operate, their impact has been reduced by the urgency of consolidating public finances. However, they continue to formulate proposals over a range of issues from environmental policy to the provision of health care, for example. Private funding has been provided since the crisis for some new policy groups that offer independent analysis of public policy.

This country report is part of the Sustainable Governance Indicators 2014 project.

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