



# Ireland Report

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## Sustainable Governance Indicators 2022

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## Executive Summary

In 2019, the Irish economy again performed impressively on key macroeconomic indicators. GDP growth was close to 5% and GNP growth was over 4%. Unemployment fell to 5%, a remarkable achievement given that it had been as high as 16% in 2012. Inflation remained at a very low rate of around 1%. The general government balance was in surplus at 0.2% and the general government debt as a percentage of GDP was 59%. Against a background of sluggish global economic growth and increasing uncertainty over the United Kingdom's approach to Brexit, it marks a significant achievement that the Irish economy was able to perform so positively on these macroeconomic indicators. On the political front, the confidence-and-supply agreement between Fine Gael and the main opposition party, Fianna Fáil, negotiated after the 2016 general election, remained in place with an expectation that there will be a new arrangement following the general election in February 2020.

In 2021, as Europe rebounded from the pandemic, the Irish economy again performed impressively. GDP increased by some 13.5%, driven largely by growth in the export of goods and services, while GNP increased by 11.5% (Gleeson, 2022). Unemployment fell from 7% in January 2021 to 5.3% in January 2022 (CSO, 2022). In 2020, the inflation rate in Ireland amounted to about -0.46% compared to the previous year. This rose to 1.9% in 2021 (Statista, 2022). An Exchequer deficit of €7.4 billion was recorded in 2021, €5 billion below 2020 (DOF, 2022). At the end of 2021, the government's debt as a percentage of GDP continued to fall to 56%, having briefly increased in 2020 to 58.4% amid the onset of the pandemic.

The October 2019 agreement between the United Kingdom and the European Union managed to avoid the catastrophic scenario of a "No Deal" Brexit. It also removed the threat of a terrestrial border between Northern Ireland and the Republic of Ireland, with the trade border instead located in the Irish Sea, meaning that customs arrangements will be based in the airports and seaports between Northern Ireland and the United Kingdom. The EU-UK Trade and Cooperation Agreement, agreed in January 2021, sets out the planned nature of trade in goods and in services, digital trade, intellectual property, public procurement, transport, energy, fisheries, social security coordination, law enforcement, and judicial cooperation between the European Union and the

United Kingdom. The status of Northern Ireland – which remains a part of the European Single Market for trade in goods, while not being a part of the European Union – continues to cause controversy, as the UK government has repeatedly sought to renege on its commitment to uphold the agreement.

The implications for the Irish economy of the United Kingdom’s departure remain considerable. At the macro level, any significant fall in the United Kingdom’s economic growth rate will have repercussions for Irish exporters. Additionally, any sustained fall in the value of sterling relative to the euro will pose problems for import-competing companies in Ireland. The labor intensive agri-food sector has been identified as the sector at greatest risk. Ireland’s improved economic performance is attributable to relatively sound policy decisions, historically low interest rates and, most significantly, the continued growth of the export-driven multinational corporation (MNC) sector.

Ireland has long relied on a low corporate tax rate as an instrument to attract FDI. This policy has been highly successful and is supported across the political spectrum. However, it has increasingly attracted hostile comments from critics in foreign jurisdictions, who assert that some features of the way Ireland taxes corporations constitute “unfair” competition and encourages profit-shifting by multinational corporations.

In October 2019, the OECD proposed that countries should be allowed to tax companies in their jurisdictions even if the companies have no physical presence there. Such a change in tax legislation could have significant implications for the activities of MNCs that are based in Ireland. In October 2021, the government pledged support for the OECD international tax agreement, which establishes a global minimum effective corporation tax rate of 15% for MNCs with revenues in excess of €750 million. This is likely to have a major impact on the country’s industrial policy, given its reliance on FDI (DOF, 2021).

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## Key Challenges

A key challenge facing the Irish economy relates to the role of multinational corporations (MNCs) in driving economic growth. Ireland's economic performance over the last quarter of a century may be classified under five phases. Phase one, between 1994 and 2001, was a golden period of economic growth and rising employment, predominantly driven by the exporting activities of high-tech MNCs. Phase two, between 2002 and 2007, produced a change of direction with most of the growth emanating from the domestic property/construction sector financed by an out-of-control banking system. Phase three, between 2008 and 2012, was a period of economic implosion and heavy financial retrenchment arising from the banking and construction excesses of phase two, which culminated in the country's financial bailout by the Troika of the European Union, ECB and IMF in 2010. Phase three was marked by severe cutbacks in fiscal expenditure, increases in taxation and sizable reductions in bank lending, allied with a significant reliance on international creditors. Phase four, starting in 2013 and continuing through to 2020, marked a new period of economic growth similar to phase one in that it was largely driven by MNCs. Phase five covers the period since the onset of the COVID-19 pandemic in 2020. The economic and social shock of the COVID-19 pandemic experienced in Ireland, while profound, was less severe than that experienced in other parts of Europe (Colfer & O'Brennan, 2021). The country has experienced sustained economic growth, which has been predominantly export driven with some 83% of exports emanating from the MNC sector. That said, several domestic sectors also experienced higher levels of economic activity in 2021, with the distribution, transport, hotel and restaurant sectors growing by 6.2%, and arts and entertainment by 12.6% (Gleeson, 2022).

Underpinned by export activity in the multinational-dominated sectors and a rebound in domestic activity, overall growth in 2021 surged to 15.2%, and is expected to reduce to 5.7% in 2022 and 3.9% in 2023. This relatively buoyant picture may, however, change in the wake of the Russian war on Ukraine and

accelerating supply shocks in the global economy. Households' pandemic-related savings and a projected labor market recovery are expected to further support consumer spending (OECD, 2021).

The economy remains dependent on the exports of MNCs in a small number of sectors. Ireland's top exports in 2021 comprised pharmaceuticals (35.5% of total exports); organic chemicals (19.6%); optical, technical and medical apparatus (8.9%); electrical machinery and equipment (8.1%); machinery including computers (5%, which was worth \$9.6 billion); perfumes and cosmetics (2.9%); dairy, eggs and honey (2.1%); other chemical goods (2.1%); meat (2%); and aircraft and spacecraft (1.8%) (Workman, 2021)

Fully one-quarter of the Irish business labor force is directly employed by MNCs, while foreign-owned firms employed 32% of the private workforce in 2019 (Burke-Kennedy, 2021a). At the fiscal level, over 75% of corporate tax receipts, and 40% of income tax and Universal Social Charge payments come from MNCs. It was believed that 2018 represented an exceptional year for the generation of corporate taxes in Ireland as a result of a one-off payment made by a single company in November of that year.

Corporation tax receipts of €5.3 billion were recorded in 2021. This was €3.5 billion (almost 30%) higher than 2020, reflecting the strength of exports (DOF, 2022), and an increase of over 200% on corporate tax revenues for 2014, which were less than €5 billion. Receipts are heavily concentrated, with around 10 large firms (including Apple, Dell, Google, Intel, Microsoft and Oracle) accounting for 56% of all corporation tax generated in 2020. MNCs have a significant indirect influence on the employment market through labor employed in the services sector, notably in areas such as accounting, law, and building and construction.

As a small open economy, while it is re-assuring at one level to find that a large proportion of Ireland's economic growth is export driven, there are important caveats that need to be noted on this front, which may become an Achilles heel for the economy in the years ahead. The main concern on this front relates to impending changes in the taxation of MNCs, which could make Ireland a less attractive location for FDI by MNCs. The 2021 OECD international tax agreement establishes a global minimum effective corporation tax rate of 15% for MNCs with revenues in excess of €750 million. There is also increasing pressure from the OECD for MNCs to pay more taxes in the countries of sale origin and less in the countries in which they are tax resident. Such a move may reduce the attractiveness of low corporate tax bases, such as Ireland, as well as reducing the amount collected in corporate tax from these MNCs.

A second major concern is the way in which MNC activities influence Ireland's main macroeconomic indicators, including GDP, investment expenditure, and exports and imports. As a result of the deep involvement of MNCs in the Irish economy, official statistics on Ireland's economic performance present (a) an over optimistic picture of developments in the real economy, and (b) show increasing volatility with respect to key sectors such as exports and investment expenditure. The recorded figures for GDP growth have long provided an over-exaggerated picture of Ireland's economic performance, because they include the transfer pricing activities of MNCs. When profit repatriation by MNCs is excluded from the national accounts, the resulting GNP estimates provide a more accurate (lower) statement of the real economy. A report by Brad Setser for the U.S. Council on Foreign Relations, Ireland's Cry for Statistical Help, indicated that the GDP data compiled for Ireland had become so extreme "that it almost reads like a plea for a new system of national accounts." Economist and Nobel Prize laureate Paul Krugman has dubbed this phenomenon "leprechaun economics" (Kelpie, 2016).

Illustrative of this process, the statistics for change in investment expenditure have become increasingly volatile, as may be noted from the ESRI indicator on gross domestic fixed capital formation (50.8% in 2016, -6.8% in 2017, -21.1% in 2018, 45.1% in 2019 and 4.6% in 2020). The ESRI indicator reported that investment expenditure changed abruptly from 51% in 2016 to -7% in 2017 to -21% in 2018, followed by an estimated upward surge of 45% in 2019.

These are topsy-turvy Alice in Wonderland figures rather than serious macroeconomic indicators. The key phenomenon here has been the onshoring of intellectual property rights in Ireland by MNCs. The transfer of intellectual property rights along with changes in aircraft leasing expenditures have played havoc with the compilation of statistics on investment expenditure. Notably, some 50% of all global aviation leasing contracts pass through Ireland.

The knock-on effects of these problems for economic policy are considerable. Ireland's GDP is expected to grow by 5.5% in 2022 and by 4.5% in 2023 (Europa, 2022) to around €430 billion in 2022 and €450 billion in 2023. This may be significantly over-inflated by the activities of MNCs.

One major implication of the activities of MNCs has been the way in which corporation tax increases have fed into the financing of increased public sector expenditure – a phenomenon increasingly noted by the Irish Fiscal Advisory Council in its annual reports. Economists at the central bank have estimated

that, since 2014, 40% of increased taxation has come from buoyant corporate tax revenues. Such a windfall gain in taxation is highly reminiscent of similar windfall gains from property-related taxes during the second phase of the Celtic Tiger boom between 2003 and 2007, which facilitated excessive public sector expenditure leading to the fiscal crisis between 2008 and 2013. In 2021, corporation tax receipts reached a record €15.3 billion and income tax receipts were €26.7 billion, up €4.0 billion (17%) on 2020 (DOF, 2022).

At some stage in the future, it is possible that there may be a considerable fall in corporate tax revenue resulting from the aforementioned changes in the global corporate tax landscape. While the Irish government established a “rainy day” fund to meet unforeseen contingencies, there is a strong argument for significantly increasing this fund because of the potential danger of a considerable reduction in corporate taxation in future years.

In the 2019 budget, while a €1.5 billion contribution from the Ireland Strategic Investment Fund was made to seed the newly established rainy day fund this merely represented a shifting of money between government accounts. Only €500 million was earmarked for the rainy day fund from the 2019 budget – less than 1% of net current government expenditure. In the 2020 budget, based on the assumption of an adverse Brexit scenario, the minister of finance decided to cancel the annual €500 million transfer to the rainy day fund. In autumn 2020, in the context of the COVID-19 crisis, the government raided the €1.5 billion rainy day fund for the 2021 budget, while agreeing not to make an additional €500 million payment into the fund (Burke-Kennedy, 2020). In January 2022, Minister for Finance Paschal Donohoe announced that the fund was “well and truly gone”(Quann, 2022).

At the time of writing, the implications of the United Kingdom’s withdrawal from the European Union for Ireland continue to play out. The outcome of the elections for the Northern Ireland Assembly on May 5 was historic, with Sinn Féin winning the largest number of seats. This was the first time a nationalist party had ever won an election in Northern Ireland. In the aftermath of the election, however, a deep uncertainty took hold as the largest unionist party – the Democratic Unionist Party (DUP) – refused to participate in government until the Northern Ireland Protocol was replaced. Ireland is the only EU member state to share a land border with the United Kingdom. The Trade and Cooperation Agreement (TCA) between the European Union and the United Kingdom, signed in December 2020, shifted the border, from a customs perspective, away from a land border on the island of Ireland to a border in the Irish Sea. From an Irish political perspective, this agreement represents a considerable improvement on a hard Brexit scenario. However, the UK government has repeatedly threatened to renege on the deal over concerns

relating to the need for customs checks on goods traveling between Northern Ireland and Britain.

The United Kingdom accounts for a significant share of Ireland's external trade. That said, Ireland's traditional dependence on the United Kingdom for exports has greatly reduced in recent years and especially since Brexit. The United Kingdom's share of total exports to Ireland has declined from 23% in 2015, the year prior to the United Kingdom's referendum on EU membership, to 7.2% in early 2021. Meanwhile, the share of Irish exports to Britain also declined during this period from 10.9% to 6.3% (Burke-Kennedy, 2021b). This decline is partly the result of strong growth in high-tech and pharmaceutical exports from Ireland to countries other than the United Kingdom. The United Kingdom has traditionally accounted for over 40% of Ireland's agricultural exports, with more than 50% of beef and pork, and over 80% of poultry exports destined for the United Kingdom. Indeed, in 2021, Ireland's food, drink and horticulture exports to the United Kingdom were worth €4.4 billion (£3.7 billion), 33% of total exports across the sectors. However, data for the first three-quarters of 2021 showed a 9% fall in food, drink and horticulture exports to the United Kingdom, compared with the same period in 2020 (Roughneen, 2022).

One of the most difficult cyclical phenomena to manage is that of housing and construction. After the COVID-19 pandemic, housing is the pre-eminent domestic political issue of the day. Ireland's housing and construction boom between 2002 and 2008 created a highly unstable banking and financial environment along with a fiscal system excessively dependent on taxes from this sector. The ensuing collapse led to an oversupply of housing marked by newly constructed ghost estates and villages. Building and construction activity fell dramatically and many key workers in this sector emigrated. The return to economic growth from 2013 onward meant that the building and construction sector was ill-equipped to meet increasing demand for new housing. In addition to this, several banks that had been adversely affected following the previous period of expansion have been reluctant to lend to builders and developers. This meant that only 4,575 new dwellings were completed in 2013, followed by 5,518 in 2014, 7,219 in 2015, 9,915 in 2016 and 14,446 in 2017. The situation improved somewhat in 2019 with almost 22,000 dwellings completed. In 2021, the number of new houses notified to the state was 30,724, compared to 21,686 the previous year – although the figures for 2020 were undermined by the government's coronavirus lockdown measures (Paul, 2022).

The government's Housing for All – a New Housing Plan for Ireland is a multi-annual, multi-billion euro program to improve Ireland's housing system



and deliver “more homes of all types for people with different housing needs.” It is estimated that Ireland will need an average of 33,000 new homes each year from 2021 to 2030. The program contains 213 actions designed to deliver a range of housing options for individuals, couples and families (DHLGH, 2021).

On 4 October 2018, the Irish parliament passed a motion declaring housing and homelessness a national emergency. The inadequate flow of new housing relative to shifts in demand has had severe repercussions on the rental market. Over the period 2010 to 2019, rental prices doubled in Ireland. Nationally, rents grew by 8.3% year-on-year in the third quarter of 2021, the highest national growth rate seen since 2017 (RTB, 2021) and housing prices rose by an average of 7.7% in 2021 (Slattery, 2021). In May 2022, it was revealed that there were only 851 properties for rent in the entire country, a reflection of the chronic shortage of supply. In addition, the average rent paid nationally stood at €1,567 per month, up 11.7% on 2021.

The most notable political development relates to the arrival of Sinn Féin as the third force in Irish politics, and the relative decline of both Fianna Fáil and Fine Gael. The housing crisis is identified as one of the key factors fueling the rise of Sinn Féin. In the 2020 general election, the party came first in the popular vote, but attained only 37 seats in the Oireachtas. Fianna Fáil came second after a loss of eight seats, also winning a total of 37 seats. The stalemate led to the resignation of Leó Varadkar as taoiseach in February 2020 and the establishment of a novel Fianna Fáil-Fine Gael-Green Party coalition in summer 2020. Ireland has never had a dominant left-right political cleavage and the rise of Sinn Féin is a historic break from the rule of the two center-right parties, which trace their origins to the two sides of Ireland’s civil war a century ago.

It is highly unlikely that any of the now three main parties will be able to govern alone and it will be difficult to find durable coalitions in the future. Alongside this realignment of Irish politics, factors including the ongoing implications of Brexit, the housing crisis and the legacy of the COVID-19 pandemic will continue to define Irish politics and society.

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## Party Polarization

The 2016 general election was a watershed moment in Irish politics, producing a minority Fine Gael government, which was dependent on a confidence-and-supply arrangement with the other major party (Fine Gael's erstwhile political foes, Fianna Fáil). Between them, these two parties had led every government since the foundation of the state a century ago, but never together. Under the arrangement, Fianna Fáil did not oppose the passing of the government's annual budgets. The confidence-and-supply arrangement was produced on the basis of an agreed range of policy principles. By the end of 2019, this confidence-and-supply arrangement had facilitated the passing of four annual budgets.

The February 2020 general election took place in the narrow window between the start of the new year and the arrival in Ireland of the COVID-19 pandemic in March. Fianna Fáil, Sinn Féin and Fine Gael finished almost neck-and-neck, with 38, 37 and 35 seats respectively. Sinn Féin narrowly won the popular vote, with 24.5% of the vote, against Fianna Fáil's 22.2% and Fine Gael's 20.9%. Each of the three main parties still fell far short of the 80 seats needed to form a majority (Colfer, 2020). The election ushered in a seismic shift in Irish politics with the breakthrough of Sinn Féin as a third force, and in the form of a new coalition government of Fianna Fáil, Fine Gael and the Green Party. For the first time, the role of taoiseach would rotate at the mid-point of the government's five-year term.

This government has had to come to terms with the triple challenges of the country's political realignment, the coronavirus pandemic, and the ongoing protracted withdrawal of the country's nearest neighbor, the United Kingdom, from the European Union. (Score: 7)

## Citation:

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# Sustainable Policies

## I. Economic Policies

### Economy

Economic Policy  
Score: 9

Prior to the arrival of the pandemic, the Irish economy seemed to go from strength to strength. Proxy indicators (e.g., labor market data, tax revenue, investment expenditure and consumption expenditure) were all positive. In 2021, GDP grew by 13.5%. This was driven by an increase of more than 16% in exports of goods and services. Gross national product increased by 11.5%. General government expenditure is forecast to reach €105 billion in 2022, with a forecast budget deficit of €8.3 billion, down from €13.3 billion in 2021. Personal spending increased to €105.2 billion, an increase from €99.5 billion in 2020, but lower than the €111.1 billion recorded in 2019. Total employment increased to 2.5 million (the first time it reached this mark in Ireland), with 229,000 more people in work compared to 2020, and the COVID-19-adjusted rate of unemployment fell to 7.4% of the labor force.

However, against this background of strong economic growth, Ireland faces some serious supply-side constraints, most notably in the area of housing.

In November 2021, the Irish Fiscal Advisory Council (IFAC), which was formally established as a statutory body in December 2012 under the Fiscal Responsibility Act, published its fifteenth Fiscal Assessment Report. The report, under the chairmanship of academic Dr Seamus Coffey, was highly critical of government budgetary policy. It asserted that there had been no improvement in the budget balance, excluding interest costs, since 2015 and maintained that non-interest spending by the government has expanded at the same pace as government revenues. Arguing that a great deal of the improvement in government revenues has been cyclical or temporary, the IFAC report suggested that the overall structural position has deteriorated. Resulting from this, the report contended that opportunities to strengthen the budget balance during the upswing in the economic cycle have been missed. It

identified unbudgeted increases, most notably in the area of healthcare, as a major problem area and argued that the Health Service Executive had consistently and significantly exceeded its allocation by almost over the previous four years.

In its initial comments on the 2020 budget, IFAC stressed that the economy faces unusual uncertainty on two fronts, namely (1) overheating, because the economy is close to its potential, and (2) Brexit-related issues.

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## Labor Markets

Labor Market  
Policy  
Score: 8

Ireland's rapid economic growth over the last six years has been reflected by significant improvements in the labor market. Total employment amounted to 2,305,000 in 2019.

The composition of the labor force has shifted significantly away from relatively low-skill construction work toward higher-skill service and advanced manufacturing jobs. From a peak of 16% in 2012, the unemployment rate fell to 6.2% in 2017, to 5.3%, in 2018. In October 2019, the seasonally adjusted unemployment rate had fallen to 4.8%.

The greatly improved labor market statistics for Ireland have several important consequences. In the first place, continued economic growth will necessitate a growth in immigration to ensure that the economy does not face capacity constraints. To facilitate this growth in immigration there is a need to improve the infrastructure, particularly with respect to housing. It has been estimated that at least 35,000 housing units need to be added annually. However, the lagged effects of the financial crisis have had significant negative consequences for the construction sector. Because of the collapse in the property market between 2008 and 2014, the knock-on effects to the construction sector caused skilled construction workers to emigrate and building entrepreneurs to go into liquidation. De-leveraging by the banks,

which had been massively over-committed to the property market, meant that the flow of finance available for construction and mortgages was greatly reduced. In 2017, 15,000 housing units were built, with a further 18,000 built in 2019 and 22,000 expected to be built in 2020. While showing an upward trend, the number of new houses built will still fall far short of the annual target of 35,000 units.

A second important consequence of the strong growth in the labor market will be the impact on future earnings. Hitherto because of the strong deflationary effects on earnings created by the financial crisis of 2008 to 2014, the growth in nominal wages has been subdued. The growth in average hourly earnings was 2.2% in 2015, 2.5% in 2016 and 2.8% in 2017. The ESRI forecasted that the growth in average hourly earnings was 3% for 2018, increasing to 3.5% in the second quarter of 2019. However, it will be difficult to contain the growth in earnings on such a subdued scale if the economy continues to register a 5% growth rate.

Citation:

Burke-Kennedy, E., 'Wage growth in Irish economy recorded at 2% last year', The Irish Times, 1 March 2022, <https://www.irishtimes.com/business/economy/wage-growth-in-irish-economy-recorded-at-2-last-year-1.4815161>

Central Statistics Office, Labour Force Employment Series Quarter 2 2019, Preliminary estimates of the Earnings and Labour Costs Quarterly Release (November 2019)

Morgan, G., 'House prices soaring by €100 a daysproperty heats up to boom time level', Irish Independent, 28 March 2022, <https://www.independent.ie/business/personal-finance/property-mortgages/house-prices-soaring-by-100-a-day-as-property-heats-up-to-boom-time-levels-41493411.html>

## Taxes

Tax Policy  
Score: 7

The goal of fiscal consolidation has been a high priority in formulating tax policy over recent years. The burden of direct taxation was increased after the country's financial collapse and a new local property tax was introduced in 2012, which was steeply progressive with respect to property values. A carbon tax was first introduced in Ireland in 2010 with an initial imposition of €10 per ton of carbon dioxide. The rate was increased to €20 per ton with effect from 1 May 2014. In the 2020 budget, the rate has been increased to €26 per ton. This measure will raise €90 million in 2020 and the money raised will be ring fenced to fund climate action measures. There is cross-party parliamentary support to increase the price of carbon from €20 to €80 a ton by 2030. The recent budgetary change, while small, at least indicates that there is an increasing commitment to meet the objective of a carbon tax of €80 per ton.

The indirect tax system is less progressive than the income tax and property-tax systems, and weighs relatively heavily on those in the lowest income distribution deciles. This is due, to a significant extent, to the heavy excise

taxes on alcohol and tobacco products (once again increased in the 2020, 2021 and 2022 budgets), expenditure on which looms relatively large in poorer households' budgets, as well as to the larger proportion of income saved by those on higher incomes.

Ireland has long relied on a low corporate tax rate as an instrument to attract FDI. This policy has been highly successful and is supported across the political spectrum. However, it has increasingly attracted hostile comments from critics in foreign jurisdictions who assert that some features of the way Ireland taxes corporations constitute “unfair” competition and encourages profit-shifting by multinational corporations (MNC). In October 2019, the OECD proposed that countries should be allowed to tax companies in their jurisdictions, even if the companies have no physical presence there. Such a change in tax legislation could have significant implications for the activities of MNCs that are based in Ireland for taxation purposes. The OECD has also been consulting on the establishment of a global minimum tax rate, stating that:

“A minimum tax rate on all income reduces the incentive for taxpayers to engage in profit-shifting and establishes a floor for tax competition among jurisdictions.”

Given that Ireland's 12.5% corporate tax rate is one of the lowest in the OECD, the implications of such a change in the taxation of MNCs could be considerable. It remains to be seen, however, whether the OECD agreement will be implemented.

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

Citation:

Tim Callan, Maxime Bercholz, Karina Doorley, Claire Keane, Mark Regan, Michael Savage and John R. Walsh 'Distributional Impact of Tax and Welfare Policies: Budget 2018. ESRI Quarterly Commentary, Winter 2017.

Budget 2016 contains an annex that discusses the progressiveness of the Irish tax and welfare system in some detail: <http://www.budget.gov.ie/Budgets/2016/Documents/Budget%20Book%202016%20-%20full%20document.pdf>

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

See also Donal De Buitléir <http://www.publicpolicy.ie/wp-content/uploads/Budget-2013-Progressivity-of-Irish-Income-Tax-System1.pdf> and Michael Collins <http://www.nerinstitute.net/research/total-tax-estimates-for-ireland/>

For a review of how the burden of the adjustment during the period of ‘austerity’ was distributed by income



class see John FitzGerald <https://www.esri.ie/UserFiles/publications/RN20140204.pdf>

The OECD report on Base Erosion and Profit-Shifting is available here <http://www.oecd.org/tax/beps-reports.htm>

## Budgets

Budgetary Policy  
Score: 8

The 2020 budget was developed in the shadow of Brexit. The central assumption was that there would be a no deal Brexit. Given such an assumption the Department of Finance forecasted that GDP would only grow by 0.7% in 2020 and that real GNP would fall by -0.1%. This is in sharp contrast to the European Commission's forecast of 3.5% GDP growth for 2020, which was based on the assumption of a soft Brexit. The minister of finance provided a package of €1.2 billion, excluding EU funding, to respond to Brexit. He also anticipated increasing external borrowing in the event of a no deal or a disorderly Brexit, and indicated that he would draw on money in the "rainy day" fund to mitigate any harsh Brexit measures. Furthermore, he decided not to transfer the expected €500 million from the 2020 budget into the "rainy day" fund.

There has been sustained progress toward correcting budget imbalances. The general government budget balance as a percentage of GDP fell to 0% in 2018 and moved to a small surplus of 0.2% in 2019. The most recent data show that the national debt-to-GDP ratio, which peaked at 120% in 2013, fell to 64% of GDP in 2018 and 56% in 2021. As a percentage of modified GNI, it had fallen from 97% in 2017 to 91% in 2018. As a result of the fiscal turmoil caused by the pandemic and the necessity of increasing the budget deficit, the debt to GNI climbed again in 2021 to reach €236.7 billion or 106.2% of GNI. Given that modified GNI is far more representative of the underlying behavior of the economy, the ratio of debt to modified GNI is still excessively high.

Leaving aside the ever-present possibility of adverse external shocks, there is a clear risk now facing the Irish economy that the government, following record tax returns, will encounter increasing demands from public sector trade unions to increase public sector expenditure and, in particular, public sector remuneration, given the impact rising inflation is having across Irish society.

Citation:

Department of Finance, Budget 2022.

Department of Finance, Budget 2021.

Department of Finance, Budget 2020.

Department of Finance, Budget 2019.

Irish Fiscal Advisory Council, Fiscal Assessment Report, December 2021.

Irish Fiscal Advisory Council, Fiscal Assessment Report, November 2019.

## Research, Innovation and Infrastructure

R&I Policy  
Score: 7

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

Ireland's overall information and communication technology readiness continues to lag behind most other northern and western European countries, as well as Israel. Nonetheless, the World Economic Forum's Global Competitiveness Report for 2019 ranked Ireland 24 out of 141 countries in terms of global competitiveness (up from 28 in 2014). Ireland was ranked sixth in terms of its labor market competitiveness and 10th in terms of business dynamics.

The so-called double Irish tax facility, which provided significant tax incentives for multinational corporations to attribute intellectual property income (wherever its origin) to their Irish subsidiaries, was abolished in the 2015 budget in order to avert EU penalties over illegal state aid to industry. In the 2016 budget, the minister for finance announced some details of a new "knowledge box" scheme to partially replace this facility. This provides for a 6.25% corporate tax rate on profits arising from "certain patents and copyrighted software which are the result of qualifying R&D carried out in Ireland." The Irish government intends to remain a world leader in attracting R&D-intensive investment, irrespective of whether or not the OECD agreement on corporate tax is implemented.

Citation:  
World Economic Forum Global Competitiveness Report 2019

## Global Financial System

Stabilizing  
Global Financial  
System  
Score: 6

Ireland's situation as a member of the euro area and of the European banking system needs to be taken into account. This has involved substantial surrender of national sovereignty and autonomy in financial policy to the European Central Bank (ECB). Ireland's minister for finance, Paschal Donohoe, chairs the 19 nation Eurogroup within the European Union.

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

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

Ireland features on some so-called tax haven lists globally and has been criticized for its lax approach by leading economists, such as Thomas Piketty, Paul Krugman and Joseph Stiglitz. Criticism has mainly centered on the operation of the now defunct "double Irish" model of corporate tax and the way intellectual property assets are classified (O' Boyle and Allen, 2021). Transfer pricing by MNCs remains important for Ireland's economic success, although some would call this a regime of unfriendly tax competition. Ireland opposed the wording in the proposed OECD agreement in 2021, which set out a corporate tax rate of "at least 15%" and argued successfully for a change to a set rate of 15% (Donohoe, 2021)

Citation:

Committee of Inquiry into the Banking Crisis (Banking Inquiry Report), January 2016.

Donal Donovan and Antoin E. Murphy *The Fall of the Celtic Tiger Ireland and the Euro Debt Crisis* (Oxford University Press, 2013; paperback 2014)

Donohoe, P., 'Statement by Minister Donohoe on decision for Ireland to enter OECD International Tax Agreement, 7 October 2021, <https://www.gov.ie/en/speech/615f7-statement-by-minister-donohoe-on-decision-for-ireland-join-oecd-international-tax-agreement/>

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

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

O' Boyle, B. and Allen, K., *Tax Haven Ireland*, Pluto Press, November 2021.

## II. Social Policies

### Education

Education Policy  
Score: 6

The evidence indicates that the Irish education system is average or slightly above average by western European standards. The most-frequently voiced concerns relate to levels of mathematical skills and lack of proficiency in foreign languages, as well as an overemphasis on the Irish language. Reform of the leaving certificate – the final high school exams, which are coordinated nationally – has continued throughout the pandemic, especially regarding the nature of assessment, given the system’s emphasis on final exam results, as opposed to continuous assessment.

Some employers claim that the output of suitably qualified and skilled graduates from the second and third levels of the education system is inadequate, especially in terms of the high-tech sectors, which remain a central part of the Irish economy. 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 locating investment in Ireland, alongside the ease of doing business and the country’s relatively stable political environment.

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

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

Irish students at tertiary institutions are not charged fees for most undergraduate courses. However, the “student contribution” charge – which

was radically increased in the context of the country's financial bailout by the Troika of the European Union, ECB and IMF in 2011–2013 – rose from €2,500 in 2014 to €3,000 in 2015, and has remained at that level since. In spring 2022, after many years of the university sector criticizing successive governments, a large and graduated increase in spending on higher education was announced by government, along with an intention to reduce the student charge to around €2,000 over a number of years. This was greatly welcomed by the higher education sector (O' Brien, 2022b).

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

Citation:

O' Brien, C., 'Major changes to leaving Cert will see students sit some exams in fifth year', The Irish Times, 29 March 2022, <https://www.irishtimes.com/news/education/major-changes-to-leaving-cert-will-see-students-sit-some-exams-in-fifth-year-1.4839186?mode=sample&auth-failed=1&pw-origin=https%3A%2F%2Fwww.irishtimes.com%2Fnews%2Feducation%2Fmajor-changes-to-leaving-cert-will-see-students-sit-some-exams-in-fifth-year-1.4839186>

O' Brien, C., 'Student Contribution Fee of €3,000 to be reduced', The Irish Times, 4 May 2022, <https://www.irishtimes.com/news/education/student-contribution-fee-of-3-000-to-be-reduced-harris-1.4869307?mode=sample&auth-failed=1&pw-origin=https%3A%2F%2Fwww.irishtimes.com%2Fnews%2Feducation%2Fstudent-contribution-fee-of-3-000-to-be-reduced-harris-1.4869307>

## Social Inclusion

Social Inclusion  
Policy  
Score: 7

During the recession and in the wake of the post-2008 financial crisis, Irish social and economic policy continued to place a high priority on poverty reduction. The poorest groups in society were protected from the worst effects of the recession. Although the rise in the unemployment rate and the fall in the employment rate drastically reduced household income for many, the real value of the principal social welfare payments has been protected in successive budgets since 2008 over a period when the take-home pay of those in employment fell significantly. Public spending on social protection rose to a peak of 11.0% of GDP in 2011, but fell to 9.4% in 2015, as economic growth resumed and the unemployment rate fell. However, the aging population structure has continued to push up the cost of the state pension scheme.

In 2020, amid the onset of the pandemic, government social protection expenditure rose to 10.2% of GDP. Notably, this was the lowest in the European Union and much less than half the highest rate, that of France with 27.3% (Eurostat, 2021). However, in 2019, government expenditure on social

protection in Ireland, €9,815 per person, was above the EU average of €8,769 per person. Overall, the government spent €58.2 billion on social protection in 2020, with the largest areas of expenditure in sickness/healthcare (€21.5 billion) and senior care (€15.1 billion), which together accounted for 65% of total spending. In light of the impact of the COVID-19 pandemic on employment and the government's temporary pandemic unemployment payment scheme, compared to 2019, expenditure on unemployment in 2020 almost trebled, from €2.7 billion to €7.8 billion (SJI, 2022).

Ireland's recent developments made no significant changes to the structure of the system of social protection, despite some modest increases in rates of assistance. EU data on income and living conditions show that the incidence of poverty rose from 14.1% in 2009 to 16.5% in 2012. However, the incidence of consistent poverty rose from 5.6% in 2009 to 7.7% in 2012 and continued to rise to 8.2% in 2013. In 2021, the rate of poverty was 13.3%, but Social Justice Ireland (2022a) points out that this rate increases to 19% when housing costs are added to the calculations. Almost 45% of renters are at risk of increased poverty after housing payments.

The incidence of homelessness has been on the rise in the country's principal cities and towns for years. The virtual cessation of residential construction after the 2008 crash combined with a recovery in house prices and rents from 2013 have made affordable housing increasingly difficult to obtain for many, especially in Dublin and in surrounding areas within the capital's commuter belt. The government responded to growing public concern about these problems by increasing the 2016 budget allocation to social housing and by asking the National Asset Management Agency to provide 20,000 new residential units from its resources by 2020. The 2020 budget provided capital funding of over €1.1 billion to support the delivery of over 11,000 new social houses in 2020, with the expectation that a further 12,000 will be delivered in 2021.

However, in March 2021, the minister with responsibility for housing, Darragh O'Brien, reported that a total of 7,827 new social homes had been delivered in 2020, including 5,073 new build homes, 1,314 targeted acquisitions and 1,440 through leasing programs (GOV, 2020). Meanwhile, under the Housing for All program, the government plans to increase the supply of new housing to an average of 33,000 per year until 2030. The total new supply of housing will consist of 90,000 social homes, 36,000 affordable purchase homes, 18,000 so-called cost rental homes and approximately 156,000 private homes (DOT, 2021).

The lack of cheap housing, high and rising levels of rents (which reached record levels in early 2022), and growing homelessness saw the number of homeless people increase by 8.7% in 2021 compared to the previous year (Hilliard, 2022). Particular alarm has been raised regarding the number of children and young people presenting as homeless (CRI, 2022). This demonstrates that the housing crisis needs to be addressed by more inspired governmental and local authority initiatives, including through the provision of inexpensive land zoned for building and through changes to the permitted height of urban apartment dwellings. The arrival in early 2022 of 30,000 refugees, displaced as a result of the Russian war on Ukraine, added significantly to the already serious housing crisis.

Citation:

CRI (2022): Immediate action needed to tackle family homelessness. We can't allow progress to reverse, Children's Rights Alliance, 21 February, available at: <https://www.childrensrights.ie/resources/press-release-%E2%80%98immediate-action-needed>

DOF (2020) Budget 2020, Department of Finance, September 24, available at: <https://www.gov.ie/en/collection/b4c8d-budget-2020/>

DOT (2021) Government launches Housing for All – a New Housing Plan for Ireland, Department of the Taoiseach, 02 September, available at: <https://www.gov.ie/en/press-release/ee5a9-government-launches-housing-for-all-a-new-housing-plan-for-ireland/#:~:text=over%20the%20lifetime%20of%20the,and%20approximately%20156%2C000%20private%20homes>

Eurostat, (2021) Government expenditure on social protection, Statistics Explained, February, available at: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government\\_expenditure\\_on\\_social\\_protection#Expenditure\\_on\\_.27social\\_protection.27](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_social_protection#Expenditure_on_.27social_protection.27)

Gov (2020) Minister O'Brien Publishes 2020 Social Housing Statistics, Department of Housing, Local Government and Heritage, 09 March, available at: <https://www.gov.ie/en/press-release/dfd6c-minister-obrien-publishes-2020-social-housing-statistics/>

Hilliard, M. (2022) Number of homeless people increased by 8.7% last year, The Irish Times, January 28, available at: <https://www.irishtimes.com/news/social-affairs/number-of-homeless-people-increased-by-8-7-last-year-1.4788072>

Social Justice Ireland, 2022a, 'Poverty increases 150% after rent is included for households receiving subsidies', 10 January 2022, <https://www.socialjustice.ie/article/poverty-increases-150-after-rent-included-households-receiving-subsidies>

SJI (2022) Social Protection Expenditure in Ireland 2020, Social Justice Ireland, 21 February 2022, available at: <https://www.socialjustice.ie/article/social-protection-expenditure-ireland-2020#:~:text=Social%20protection%20expenditure%20in%202020,of%20%E2%82%AC8%2C769%20per%20person>

## Health

Health Policy  
Score: 5

### Quality:

While the public healthcare system is regarded as having weathered the storm brought about by the COVID-19 pandemic relatively well, the public

perception of the Irish healthcare system remains very negative amid cases of negligence, incompetence and a lack of access, which are highlighted regularly in the media. However, objective indicators of health outcomes are relatively good in Ireland and continue to improve. This is despite the increased level of obesity, problems with excessive alcohol consumption, fairly high levels of smoking and the pressure on healthcare budgets. Indeed, Ireland now has the highest life expectancy of any EU member state. Those born in 2020 can expect to live to 82.6 years, compared to the EU average of 80.4 years (Moloney, 2022). This is consistent with the Irish ranking on the U.N. quality of life indices, where the country ranked second (after Norway) in 2020 (O'Leary, 2020)

The length of waiting lists for many hospital procedures and the number of hospital patients who have to be accommodated on “trolleys” (or gurneys) continue to cause serious problems and attract vociferous negative publicity. Monthly data on waiting lists are now published by the Health Service Executive (HSE) and a reduction in waiting times has been (repeatedly) declared a government priority.

#### Inclusiveness:

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

The introduction of universal health insurance had been declared a government priority, but in October 2014 the newly appointed minister for health expressed his opinion that this target was “too ambitious” to be achieved over the coming five years. During 2015, however, access to primary (general practitioner) care was made available free of charge to people aged under six or over 70, regardless of income. In the 2016 budget, this was extended to all children under the age of 12 and successive governments have pledged to raise this threshold in the years ahead. This budget also significantly increased the funds available to the public healthcare system, although cost over-runs and financial strains will undoubtedly continue to plague the system. Government spending on healthcare reached the record level of €1 billion in 2022. Despite this, there remains a deep level of dissatisfaction with the public system, which is marked by very long waiting periods to see consultants, and regular waits of up to 24 hours for treatment in hospital accident and emergency units.

#### Cost efficiency:

The Irish healthcare system is costly, despite the relatively favorable (that is,



relatively young) age structure of the population. Ireland emerges as having the sixth-highest level of healthcare expenditure relative to GDP within the European Union (OECD, 2021). In several reviews of its “bailout” agreement with Ireland between 2011–2013, the Troika expressed concern about continuing over-runs in healthcare spending, which have continued since Ireland exited the bailout program. The Irish Fiscal Advisory Council, in its November 2018 report, highlighted the extent of cost over-runs in the healthcare service, stating that the HSE had exceeded its allocation by more than €2 billion over the previous four years. The report recognized that part of this over-run was due to high payments for medical cases settled by the State Claims Agency.

COVID-19 costs to the healthcare service were €640 million over budget in 2021, although this was offset by underspending on recruitment and missed targets to increase hospital and homecare capacity. At the time of writing, the HSE is understood to expect a total deficit of between €80 and €140 million for 2021, in the €1 billion health budget (Bray, 2022). The buoyancy of government tax revenues has enabled the government to absorb the healthcare over-runs. However, if there is a downturn in tax revenues or further increases in inflation, given the alarming healthcare over-runs to date, there is the potential for a major fiscal crisis associated with this sector.

Bray, J. (2022) Coronavirus 2021 health service costs over budget by €640m, The Irish Times, 21 February, available at: <https://www.irishtimes.com/news/politics/coronavirus-2021-health-service-costs-over-budget-by-640m-1.4807601>

Government of Ireland (2022), ‘Budget 2022: Minister Donnelly announces €21 billion, the biggest ever investment in Ireland’s health and social care services’, 14 October 2021, <https://www.gov.ie/en/press-release/9c7a3-budget-2022-minister-donnely-announces-21billion-the-biggest-ever-investment-in-irelands-health-and-social-care-services/>

OECD (2021) Health spending, OECD data, available at: <https://data.oecd.org/healthres/health-spending.htm>

Moloney, E., ‘Irish people have highest life expectancy in EU’, 27 March 2022, <https://www.independent.ie/irish-news/irish-people-have-highest-life-expectancy-in-the-eu-41594511.html>

O’Leary, N., 2020, ‘Ireland ranked second in the world for quality of life, beating Sweden, Germany and the UK’, The Irish Times, 17 December 2020, [https://www.irishtimes.com/news/ireland/irish-news/ireland-ranked-second-in-the-world-for-quality-of-life-beating-sweden-germany-and-uk-1.4440009?mode=sample&auth-failed=1&pw-](https://www.irishtimes.com/news/ireland/irish-news/ireland-ranked-second-in-the-world-for-quality-of-life-beating-sweden-germany-and-uk-1.4440009?mode=sample&auth-failed=1&pw-origin=https%3A%2F%2Fwww.irishtimes.com%2Fnews%2Fireland%2Firish-news%2Fireland-ranked-second-in-the-world-for-quality-of-life-beating-sweden-germany-and-uk-1.4440009)

[origin=https%3A%2F%2Fwww.irishtimes.com%2Fnews%2Fireland%2Firish-news%2Fireland-ranked-second-in-the-world-for-quality-of-life-beating-sweden-germany-and-uk-1.4440009](https://www.irishtimes.com/news/ireland/irish-news/ireland-ranked-second-in-the-world-for-quality-of-life-beating-sweden-germany-and-uk-1.4440009)

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

## Families

Family Policy  
Score: 7

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

The income tax code thus generates some incentive for spouses to take up employment outside the home. However, its progressive structure implies that at relatively modest income levels the second partner entering paid employment faces high marginal income tax rates. Furthermore, the income tax code does not permit the deduction of childcare expenses, which remain among the highest in the OECD (OECD, 2019). The high costs of childcare and the paucity of public provision in this area have been viewed as a serious obstacle to women combining parenting with employment outside the home. In recognition of this problem, the Early Childhood Care and Education Scheme was significantly extended in the 2016 budget with the introduction of the new Access and Inclusion Model (CI, 2021). The minister claimed that children aged three years and over will be able to access free childcare until they enter primary school. In 2016, parental leave was extended to fathers, with new fathers now able to take two weeks off work following the birth of a child. Employers are not obliged to pay employees during paternity leave, but fathers may qualify for Paternity Benefit, if they have enough PRSI contributions from the Department of Social Protection (CI, 2022).

Child benefits, which had been significantly reduced during the 2008–14 financial crisis, rose to €135 per child per month in 2016 and €140 in 2017, and has remained at that level. This is still below the level in 2009. Furthermore, the benefit does not vary depending on whether the mother is employed outside the home.

Female labor force participation is still quite low relative to Ireland's peer countries in Europe, but there is some evidence that it improved significantly during the COVID-19 pandemic. In fact, Eurostat data shows that between Q4 2019 and Q4 2021, female labor force participation increased more in Ireland (almost 9%) than in any other euro zone member state (Eurostat, 2022). Female participation is, however, still limited due to the relative lack of affordable preschool nursery care.

Citation:

CI (2021) Early Childhood Care and Education Scheme, Citizens Information, available at: [https://www.citizensinformation.ie/en/education/pre\\_school\\_education\\_and\\_childcare/early\\_childhood\\_care\\_and\\_education\\_scheme.html#10b797](https://www.citizensinformation.ie/en/education/pre_school_education_and_childcare/early_childhood_care_and_education_scheme.html#10b797)

CI (2021) Early Childhood Care and Education Scheme, Citizens Information, available at: [https://www.citizensinformation.ie/en/education/pre\\_school\\_education\\_and\\_childcare/early\\_childhood\\_care\\_and\\_education\\_scheme.html#10b797](https://www.citizensinformation.ie/en/education/pre_school_education_and_childcare/early_childhood_care_and_education_scheme.html#10b797)

CI (2022) Paternity leave, Citizens Information, available at: [https://www.citizensinformation.ie/en/employment/employment\\_rights\\_and\\_conditions/leave\\_and\\_holidays/paternity\\_leave.html](https://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/leave_and_holidays/paternity_leave.html)

Eurostat (2022) EU Labour market – Quarterly Statistics, 5 April 2022, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU\\_labour\\_market\\_-\\_quarterly\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_labour_market_-_quarterly_statistics)

Pension Policy  
Score: 7

## Pensions

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

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

The total asset value of the Irish pension fund sector grew by 0.4% in the third quarter of 2021 (most recently available statistics) to €129.8 billion. This rise was offset by a fall in holdings of pension fund reserves (€76 million), which nevertheless remain the largest asset holding in the country, standing at €1.5 billion (CBI, 2021). It is important that pension funds register such gains due to the effects of an aging population.

### Poverty prevention:

The State Pension (Non-Contributory) is paid to people aged 66 and over who do not qualify for a State Pension (Contributory) (SPC). The State Pension is means tested and taxable, although if it is your only income you are unlikely to pay tax on it. The basic rate is €242 per week, with increases paid for adult and child dependents (CI, 2022a).

The State Pension (Contributory) is paid to people from the age of 66 who have made sufficient social security (PRSI) contributions and is sometimes called the old-age pension. The State Pension (Contributory) is not means tested. The Pensions Commission was set up under the Programme for Government 2020 to examine sustainability and eligibility issues with state pensions. The highest rate is €253.30 per week with increases for adult and child dependents (CSO, 2022b).

Pension payments amount to about one-third of average earnings among the employed population. The nominal value of this pension was held constant after the onset of the crisis in 2009, despite the general fall in incomes, and a period of falling prices between 2010 and 2011, and again in 2014. In the 2022 budget, the maximum weekly rate for all state pensions was increased by €5 with proportionate increases for people in receipt of a reduced rate (DSP, 2021).

Ireland ranks among Europe's best – alongside the United Kingdom and the

Netherlands – with regard to the size of existing private pension funds relative to GDP. About 55% of the workforce has made some pension provision for their retirement outside the main state scheme. However, these schemes came under very severe pressure following the stock market crash of 2008 and the increase in their liabilities due to a sharp decline in annuity rates. The trend of a shift from defined-benefit to defined-contribution schemes is continuing.

#### Fiscal sustainability:

The state pension scheme is a pay-as-you-go system. Its sustainability depends on the ability of the state to raise the funds required to meet ongoing commitments through taxes and social insurance levies. Although Ireland's population structure is relatively young by European standards, it is aging rapidly. This has led to repeated predictions of a pension-system crisis unless the retirement age is raised significantly and the amount earmarked for pensions from income taxes and social insurance levies is steadily increased. The issue of raising the pension age has proven politically intractable. The state retirement age was scheduled to increase to 67 in 2021, but this decision was reversed by government, amid political controversy, and moved back to 66 years.

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 changes will, over time, help to make the system more sustainable, but a great deal of further adjustment will be required.

#### Intergenerational equity:

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

A package of changes to the rules governing defined benefits schemes was announced toward the end of 2013 and implemented in 2014. This change sought to address the situation of underfunded defined-benefit pension schemes that wind up in deficit or elect to restructure. In the past, pensioners could have received all or most of the pension fund, whereas contributing members who had not yet retired received considerably less than expected.

The new rules were designed to ensure a more equal distribution of assets under a limited set of circumstances.

Citation:

CBI (2021) Pension Fund Statistics – Q4 2021, Central Bank of Ireland, 30 March, available at: <https://www.centralbank.ie/statistics/data-and-analysis/pension-fund-statistics>

CI (2022a) State Pension (Non-Contributory), Citizens Information, available at: [https://www.citizensinformation.ie/en/social\\_welfare/social\\_welfare\\_payments/older\\_and\\_retired\\_people/state\\_pension\\_non\\_contributory.html](https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/older_and_retired_people/state_pension_non_contributory.html)

CI (2022b) State Pension (Contributory), Citizens Information, available at: [https://www.citizensinformation.ie/en/social\\_welfare/social\\_welfare\\_payments/older\\_and\\_retired\\_people/state\\_pension\\_contributory.html#:~:text=The%20State%20Pension%20\(Contributory\)%20is,income%20and%20still%20get%20it.](https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/older_and_retired_people/state_pension_contributory.html#:~:text=The%20State%20Pension%20(Contributory)%20is,income%20and%20still%20get%20it.)

DSP (2021) Budget 2022, Department of Social Protection, 12 October, available at: <https://www.gov.ie/en/publication/318a9-budget-2022/#pensioners>

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](http://www.cso.ie/en/media/csoie/releasespublications/documents/silc/2011/silc_2011.pdf)

## Integration

Integration Policy  
Score: 8

In 2021, Ireland’s population reached its highest level since 1851 – more than five million. From being largely homogenous in the 1990s, Ireland’s population now includes approximately 15% who were born abroad after net inward migration flows were recorded in 15 of the last 20 years (Social Justice Ireland, 2021).

The large inflow of immigrants during the boom years after the mid-2000s led to a rapid increase in the foreign-born population resident in Ireland. More than 70% of immigrants to Ireland have the right to reside, work and own property in the country by virtue of their EU citizenship. Despite the resumption of a high rate of emigration among Irish nationals after 2008, inward migration from abroad has continued at a significant rate.

The unemployment rate among non-nationals (especially those from the post-2004 EU member states) is higher than among the native-born population, while 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 15 years has placed a strain on the education system. Additional resources have been provided to help cope with this challenge, but these are widely regarded as inadequate. There are signs of increasing gaps between schools in relatively deprived areas of the main cities, which often have higher concentrations of

children holding non-Irish citizenship, and schools in the more affluent areas with lower concentrations.

Forced integration is not an issue. However, some ethnic and religious minorities face difficulties in a country that is still overwhelmingly Irish, while their children face problems in a school system that is still largely under Roman Catholic management.

The treatment of asylum-seekers by the Irish authorities came under scrutiny in 2014, with adverse attention drawn to the system of “direct provision,” which is intended to provide for the welfare of asylum-seekers and their families as they await decisions on their asylum application. The system provides essential services, medical care, accommodation and board, with three meals per day provided at set times. Attention has focused on the poor standards of accommodation and living conditions in the facilities serving this population, as well as the enforced isolation of families waiting for as long as seven years to learn of a decision on their asylum applications. The 2020 Programme for Government included a commitment to end the direct provision system by the end of 2024. A whitepaper published in early 2021 outlines a new system of accommodation and supports that for applicants arriving in Ireland in search of international protection (Gov, 2021).

Ireland has been largely unaffected by the growing immigration/refugee crisis in much of Europe since 2015. Ireland agreed to accept some immigrants/asylum-seekers from Syria and other war-torn countries before the end of 2015. There is no explicitly anti-immigrant political party in Ireland and immigration was not a prominent issue in the most recent 2020 general election.

Citation:

Gov (2021) Minister O’Gorman publishes the White Paper on Ending Direct Provision, Department of Children, Equality, Disability, Integration and Youth, 26 February, available at: <https://www.gov.ie/en/press-release/affd6-minister-ogorman-publishes-the-white-paper-on-ending-direct-provision/>

Social Justice Ireland (2021), ‘Demographic Change: a key policy issue’, 8 September 2021, <https://www.socialjustice.ie/content/policy-issues/demographic-change-key-policy-issue>

### Safe Living

Overall, Irish crime rates are relatively low by international standards. However, property crime rates have risen in the last few years and over the past decade there has been an increase in “gangland” crime, including murders involving firearms. Notably, rates for most crimes fell during the pandemic, although offenses against the person, including assaults and sexual crimes,

Internal Security  
Policy  
Score: 7

increased in Ireland as COVID-19 restrictions were eased in 2021 (Lally, 2021).

The main police force remains unarmed and, despite a fatal shooting of an on-duty police officer in 2020 (Gallagher & Bowers, 2020), there is no widespread clamor to arm the force. It enjoys a good relationship with the majority of the population.

Cross-border policing cooperation between the Republic of Ireland and Northern Ireland remains good, although the existence of a long land border is an inherent obstacle to effective law enforcement. It is widely acknowledged that paramilitary crime and racketeering are unacceptably high in the Northern Ireland/Republic of Ireland border areas. The sensitivities around policing the border and cross-border crime have increased in light of the United Kingdom’s withdrawal from the European Union (Colfer & Diamond, 2022).

Citation:  
Colfer, B. & Diamond, P. (2022) ‘Borders and identities in NI after Brexit: remaking Anglo-Irish relations’, Comparative European Politics, forthcoming.

Lally, C. (2021) Assaults and sex crimes spike to previous highs as Covid-19 restrictions eased, The Irish Times, 02 November, available at: <https://www.irishtimes.com/news/crime-and-law/assaults-and-sex-crimes-spike-to-previous-highs-as-covid-19-restrictions-eased-1.4717537>

Gallagher, C. & Bowers, S. (2021) Det Garda Colm Horkan ‘epitomised’ what members of force should strive to be, funeral told. The Irish Times, 21 June, available at: <https://www.irishtimes.com/news/ireland/irish-news/det-garda-colm-horkan-epitomised-what-members-of-force-should-strive-to-be-funeral-told-1.4284667>

**Global Inequalities**

Global Social  
Policy  
Score: 8

Despite the austerity measures introduced to correct the imbalances in public finances in the wake of the country’s bailout by the Troika of the European Union, ECB and IMF in 2010, Ireland has maintained its spending on overseas development assistance (ODA). In 2021, ODA will reach €1,044 billion, with an increase of €140 million in 2022 over 2021. This represents 0.43% of Ireland’s GNI, still way short of the U.N. target of 0.7%, but an increase from the 2020 allocation of €867.5 million in 2020 (0.31% of GNI). This allocation is substantially up on the 2017 allocation of €743 million (Irish Aid, 2020; Social Justice Ireland, 2021). There is a special focus on countries in sub-Saharan Africa, poverty eradication, ending hunger, and encouraging gender equality, good governance and human rights.

Ireland was elected as a member of the U.N. Security Council for 2021 – 2022. Ireland’s priorities on the council focus on peacekeeping, climate and security, and marking the 25th anniversary of the Comprehensive Nuclear Test

Ban Treaty. Ireland is also focusing on thematic issues, including the promotion of the voices of women peacebuilders, eradicating hunger, children and armed conflict, and conflict prevention and mediation (DFA, 2021).

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

Citation:  
DFA (2021) Ireland’s Priorities for the UN Security Council, 2021-2022, Department of Foreign Affairs, 22 January, available at: <https://www.dfa.ie/news-and-media/speeches/speeches-archive/2021/january/irelands-priorities-for-the-un-security-council-2021-2022.php>  
Irish Aid, (2020). Where the money goes, <https://www.irishaid.ie/what-we-do/how-our-aid-works/where-the-money-goes/>  
Social Justice Ireland (2021) ‘Progress towards ODA target in. Budget 2022’, 8 November 2021, <https://www.socialjustice.ie/article/progress-towards-oda-targets-budget-2022>

### III. Environmental Policies

#### Environment

Environmental Policy  
Score: 8

#### Climate Policy:

The Irish government’s Climate Action Plan of 2021 aims to take action to achieve a 51% reduction in overall greenhouse gas emissions by 2030 and to reach net-zero emissions by no later than 2050, as committed to in the 2020 Programme for Government. The plan hopes to create new jobs in areas such as offshore wind, cutting-edge agriculture and retrofitting (CAP, 2021).

To meet the required level of emissions reduction, by 2030, the government has committed to increasing the share of electricity generated from renewable sources to up to 80%, with an emphasis on facilitating local community-based projects; delivering three new transmission grid connections to Northern Ireland, Great Britain, and the European Union; phasing out coal and peat-fired electricity generation; and ensuring that 20–30% of system demand is flexible by 2030 (CAP, 2021).

Agriculture makes up 35.3% of Ireland’s greenhouse gas emissions, of which 95% are emissions from livestock agriculture (DFHER, 2021). However, Ireland is a world leader in carbon-efficient agriculture and food production. Ireland has argued strongly at the EU level for concessions on its carbon-



emission reduction targets outside the Emission Trading System. The country's negotiators have claimed that displacing this production from Ireland to countries outside the European Union would ultimately result in higher global emissions.

In 2018, the ban on smoky bituminous fuels, which had been progressively extended to the main cities and towns since 1990, was applied countrywide in Ireland.

Building on previous commitments, Minister for the Environment, Climate and Communications Eamon Ryan has continued to take steps toward a nationwide ban on the use of smoky coal to combat air pollution and to protect public health (DECC, 2021).

In the 2022 budget, the carbon tax was increased by €7.50 per ton, from €33.50 to €41 per ton, coming into effect in 2022 (CI, 2021). This was one of the most controversial elements of the 2021 budget and subsequently became entangled with the global increases in the cost of energy.

The government's approach is a graduated one, with the carbon tax increasing by €7.50 per ton in every budget until 2029. The 2020 Programme for Government aims to levy €100 per ton on carbon by 2030. This is an increase on the previous commitment of €80 per ton by 2030.

The funds raised through the carbon tax are ringfenced and spent in the following areas: initiatives to prevent fuel poverty and to ensure a just carbon transition; a national retrofitting program; and measures to incentivize farmers to farm in a greener and more sustainable way.

Ireland has one of the highest proportions of electricity provided by wind power in the world, second only to Denmark in 2020. Wind is the second greatest source of electricity generation in the country, after only natural gas, and wind energy is currently the largest source of renewable energy in Ireland. In 2020, wind provided over 86% of Ireland's renewable electricity and 36% of total electricity demand (SEAI, 2022). The figures vary daily according to weather conditions. About 2.5% of Ireland's electricity generating capacity comes from hydropower (Teagasc, 2022).

Renewable water resources:

In 2000, Ireland signed the EU Water Framework Directive into national law. Article 16 of the directive required the introduction of charges for domestic water. Full implementation of this measure was included in the Troika agreement with Ireland. In July 2013, Irish Water (Uisce Éireann) was

incorporated as a semi-state company under the Water Services Act 2013. The creation of Irish Water merged the water and wastewater services of 34 local authorities together within one national service provider. Irish Water is now responsible for public water services, including the management of national water assets, and making capital investment decisions regarding the country's water infrastructure. Irish Water is accountable to the Commission for Energy Regulation and the Environmental Protection Agency (EPA).

The installation of domestic water meters began in 2014 amid sustained opposition. Substantial up-front costs were incurred. The proposed structure of the domestic water tariffs, which became the focus of fierce public protests, were repeatedly revised. The water charge element was greatly attenuated, so that the levy became little more than a property-tax surcharge, providing only a weak incentive for conserving water usage.

In June 2016, the then minister of environment appointed the Expert Commission on Domestic Public Water Services. Its final report, the Report on the Funding of Domestic Public Water Services in Ireland, was published on 29 November 2016. The commission recommended that “the optimal arrangement is one involving the funding of water services, for domestic and personal use, as a charge against taxation.” It also suggested that “excessive or wasteful use of water will be discouraged by charging for such use and therefore is consistent with the “polluter pays principle.” Essentially the commission marginalized the issue of water charges, suggesting that the “question of metering is one of policy and is outside the Expert Commission's terms of reference.”

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

Following sustained opposition, the water charges were ultimately suspended by the Fine Gael-led minority government in May 2016, as part of a confidence-and-supply agreement with Fianna Fáil. At the time of writing, domestic customers don't have to pay charges for water supply and wastewater services. However, Irish Water plans to introduce household charges for excess water use in 2022, according to the Irish Water Charges Plan (IW, 2021). Ireland thus stands out in EU terms as the only member state that does not charge consumers for water.

**Forest area:**

Significant grants for increasing the proportion of the territory under forestry have been in place for some time. The state-owned forestry service operates forests that now cover about 7% of the country's land area. The privatization of the harvesting of some of these forests was recommended in the Troika agreement but shelved in response to concerns about the potentially adverse effects on the amenity value of these land assets. Increased afforestation has been proposed in exchange for leeway on the emissions from the Irish dairy sector. The government's Forestry Policy and strategy (2014 – 2020) sets an ambitious plan to increase the amount of afforestation activity through an enhanced licensing scheme, forestry grants and initiatives to protect woodlands (DAFM, 2021).

**Biodiversity:**

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

**Citation:**

CAP (2021) <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

CI (2021) Budget 2021, Citizens Information, available at: [https://www.citizensinformation.ie/en/money\\_and\\_tax/budgets/budget\\_2022.html#:~:text=Carbon%20tax%20has%20increased%20by,fuels\)%20on%201%20May%202022.](https://www.citizensinformation.ie/en/money_and_tax/budgets/budget_2022.html#:~:text=Carbon%20tax%20has%20increased%20by,fuels)%20on%201%20May%202022.)

DECC (2021) Environment Minister takes first step towards national ban on smoky coal to protect public health, Department of the Environment, Climate and Communications, 18 February, available at: <https://www.gov.ie/en/press-release/8cf1b-environment-minister-takes-first-step-towards-national-ban-on-smoky-coal-to-protect-public-health/#:~:text=The%20Minister%20for%20the%20Environment,pollution%20and%20protect%20public%20health.>

DFHER (2021) Project to make 5,000 dairy farms climate neutral awarded €2 million by Minister Harris, Department of Further and Higher Education, Research, Innovation and Science, 21 June, available at: <https://www.gov.ie/en/press-release/8c118-project-to-make-5000-dairy-farms-climate-neutral-awarded-2-million-by-minister-harris/#:~:text=Agriculture%20makes%20up%2035.3%25%20of,are%20emissions%20from%20livestock%20agriculture.>

DAFM (2021) Forestry policy and strategy, Department of Agriculture, Food and the Marine, 07 March, available at: <https://www.gov.ie/en/publication/forestry-policy-and-strategy/>

IW (2021) Irish Water Charges Plan, Irish Water, 01 October, available at: <https://www.water.ie/about/our-customer-commitment/20210929-IW-Water-Charges-Plan-.pdf>

SEAI (2022) Wind Energy, Sustainable Energy Authority of Ireland, available at: <https://www.seai.ie/technologies/wind-energy/#:~:text=Wind%20energy%20in%20Ireland&text=In%202020%20Wind%20provided%20over,in%20Ireland%20after%20natural%20gas.>

Teagasc (2022) Small Scale Hydro Generation, Teagasc, available at: [https://www.teagasc.ie/rural-economy/rural-development/diversification/small-scale-hydro-generation/#:~:text=Presently%20about%202.5%25%20of%20Ireland's,kilotonne%20\(ktonne\)%20CO2](https://www.teagasc.ie/rural-economy/rural-development/diversification/small-scale-hydro-generation/#:~:text=Presently%20about%202.5%25%20of%20Ireland's,kilotonne%20(ktonne)%20CO2).

**Global Environmental Protection**

Global  
Environmental  
Policy  
Score: 7

Ireland’s environmental policies are largely framed within an EU context. The taoiseach (prime minister) attended the COP26 U.N. Climate Change Conference in Glasgow in October–November 2021. The taoiseach stated that “climate change is real – we are seeing its serious impacts already. The IPCC Report in August confirmed to us that it is widespread, it is rapid, and it is intensifying.” Moreover, the taoiseach acknowledged that to achieve the goals of the 2016 Paris Agreement “immediate, large-scale reductions in greenhouse gas emissions are essential.” Ireland’s plan for spending Next Generation EU funds, approximately €1 billion, was accepted by the European Commission and commits about 35% of the budget to climate-related activities (EU Commission Representation in Ireland, 2021).

At the COP26 conference, the taoiseach set out Ireland’s commitment to a legally binding target for reducing emissions by 2030 to 51% below 2018 levels, reach climate neutrality by 2050, working closely with EU partners to achieve a green transition, and the implementation of a statutory system of carbon budgeting and emissions ceilings for each sector of the economy. The taoiseach also noted Ireland’s commitment to working on the U.N. Security Council to address the destabilizing impacts of climate change. Regarding support for the developing world, the taoiseach also announced that Ireland would more than double its contribution to developing countries to support the fight against climate change, delivering at least €225 million a year toward this endeavor by 2025 (Government of Ireland, 2021). Notably, Ireland’s sustained requests for exemptions regarding carbon emissions from the agricultural sector seem at odds with these commitments.

Citation:  
EU Commission Representation in Ireland (2021), The Recovery Plan for Europe in Ireland’, [https://ireland.representation.ec.europa.eu/strategy-and-priorities/recovery-plan-europe\\_en](https://ireland.representation.ec.europa.eu/strategy-and-priorities/recovery-plan-europe_en)  
Government of Ireland (2021) National Statement by the Taoiseach, COP 26, Glasgow, Department of

# Robust Democracy

## Electoral Processes

Candidacy  
Procedures  
Score: 10

Ireland uses a system of proportional representation, single transferable vote, to elect members of parliament to the Oireachtas. The system is one that is highly localist in nature in a context where the political system is highly centralized. There are 160 members of parliament (reduced from 166 in 2020), who represent 39 constituencies. To run as a candidate in Irish elections, individuals must be over 21 and an Irish citizen. Generally, the political parties run competitive selection conventions to select candidates for each constituency. Independent candidates must present a nomination paper to the returning officer in the constituency where they want to stand (Citizens Information, 2022)

On 6 May 2016, 70 days after the general election, a minority government – the first since 1997 – was formed by the previous taoiseach, Enda Kenny. This Fine Gael-led minority government replaced the two-party coalition of Fine Gael and the Labour Party that had taken office in March 2011. The 2011 general election had focused on the weakness of the economy after the four economic crises that had enveloped the economy between 2008 and 2011, namely the property market crash, banking collapse, fiscal downturn and financial crisis. In the 2011 general election, a highly dissatisfied electorate voted overwhelmingly against Fianna Fáil and its coalition partners, enabling the coalition of Fine Gael and the Labour Party to take office with the support of 113 of the (then) 166 deputies.

The coalition government lost a combined 57 seats with Fine Gael losing 27 seats and the Labour Party losing 30 seats. Fianna Fáil, the *bête noire* of the electorate in the previous election, regained 25 seats and Sinn Féin, an Irish republican party, increased its number of seats to 23.

The election also marked the further rise in the number of independents to 23 seats and marginal parties, including the Anti-Austerity Alliance–People Before Profit (six seats), the Social Democrats (three seats) and the Greens (two seats). The 2016 general election was characterized by the high level of fragmentation of the party system, with historically low levels of support for

the erstwhile three largest parties. The combined proportion of votes won by Fine Gael, Fianna Fáil and the Labour Party dropped to 56% from a long-term average of 84%.

The result of the 2016 general election has been described by leading political analysts, Michael Gallagher and Michael Marsh of Trinity College Dublin, as the election that nobody won. Notwithstanding this, the two leading center-right parties Fine Gael (49 seats) and Fianna Fáil (44 seats) had sufficient seats to form a center-right government. The outgoing taoiseach, Enda Kenny, offered his Fianna Fáil counterpart, Micheál Martin, a full partnership government. However, initial discussions failed. Eventually, over two months after the election, Fianna Fáil agreed to abstain on votes relating to parliamentary confidence and supply until the end of 2018 (with a provision to renew this arrangement). This enabled Kenny to form a Fine Gael-led minority government with the support of nine independent deputies, three of whom were given senior ministerial positions. The replacement of Kenny by Leo Varadkar as taoiseach in 2017 did not change this political arrangement. The threat of a general election in December 2017 was averted by the resignation of the then tánaiste (deputy prime minister), Frances Fitzgerald, over an issue relating to communications during the Garda whistleblower inquiry. She was subsequently cleared of all wrongdoing.

The impact of gender quotas significantly changed candidate selection processes for the 2016 general election. The Electoral (Amendment) (Political Funding) Act 2012 encourages political parties to select at least 30% female candidates with the threshold rising to 40% by 2023. Parties that fail to reach this threshold lose half of their state funding. This reform had an immediate impact on the 2016 general election. In 2011, 15% of selected candidates were women. In 2016, this had increased to 29.6%. In terms of women elected as teachtaí dála (members of parliament), the improvement was more modest, but still rose from 15% in 2011 to 22% in 2016. Interestingly, the adoption of quotas did not change voting behavior. The Irish electorate (with the partial exception of supporters of Fianna Fáil) appear to be largely “gender blind,” with voters casting their vote for candidates based on their party affiliation, political experience and profile more generally. (See McElroy 2018 for more detail).

The most recent general election was held on 8 February 2020, in the narrow window between the start of the new year and the onset of the COVID-19 pandemic, which was declared by the WHO on 12 March 2020. The results show a continuing fragmentation of the Irish party system, which now has three medium-sized parties and no “large” parties. Sinn Féin attracted the most votes winning 24.5% of the popular vote, by far their best ever result (winning

37 seats). Fianna Fáil took 22% of the vote and 38 seats. Fine Gael, which led the outgoing government, placed third with 21% of the vote and 35 seats. Six other small parties won seats as did 19 independents. Notably, the Labour Party, which had governed as the second largest party in the state as recently as 2016, remains on the political margins, with six seats. Female participation increased slightly, from 35 to 36 teachta dálás. Only one female candidate was elected in the five Cork constituencies, and none at all in Limerick and Tipperary. Sinn Féin had the largest number of female teachta dálás (13), followed by Fine Gael (6) and Fianna Fáil (5) (Connor, 2020).

Government formation proved problematic, not least because Fine Gael and Fianna Fáil refused to govern with Sinn Féin, while Fianna Fáil and Fine Gael also initially refused to govern together. More starkly, even if two of these three parties agreed to govern together, they would still fall short of the 80 teachta dálás needed to form a majority government.

Government formation concluded in June 2020 amid the COVID-19 pandemic and as the country was in a state of lockdown, with economic and social activity curtailed across Europe. The current government brings together a novel three-way alliance involving Fianna Fáil and Fine Gael governing in full coalition together for the first time, alongside the Greens. Under the Programme for Government, the positions of taoiseach and tánaiste will rotate between the two main parties at the mid-point of the coalition agreement, December 2022. The coming together of the two traditional governing parties in Irish politics would have been a bigger story had it not been for the ongoing triple crises in healthcare, education and public finances brought about by the COVID-19 pandemic, and with the United Kingdom's protracted withdrawal from the European Union continuing to play out.

Citation:

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Fiona Buckley, Yvonne Galligan and Claire McGing, 'Women and the Election: Assessing the Impact of Gender Quotas,' in Michael Gallagher and Michael Marsh (eds.) *How Ireland Voted 2016 The Election that*

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Media Access  
Score: 9

Irish political issues receive widespread and detailed coverage in the press, on radio and on TV. Media coverage – especially on radio and TV – is subject to strict guidelines designed to ensure equity of treatment between the political parties. The state-owned national broadcasting company (RTÉ) allows equal access to all parties that have more than a minimum number of representatives in the outgoing parliament. Some smaller political parties and independent candidates without political representation 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, which play an important role in political and social discourse in Ireland. Subject to normal public safety and anti-litter regulations, all parties and candidates are free to erect posters in public spaces. There were no significant changes in this area during the review period.

It is worth noting that following legislation in 2009 (the Broadcasting Act), the 2011 election was the first in which RTÉ no longer operated entirely under self-regulation. This legislation meant that the regulation of both private and public broadcasters became vested in a single body, the Broadcasting Authority of Ireland (BAI).

In 2021, responsibility for broadcasting regulation moved from the former Department of Communications, Climate Action and Environment to the newly formed Department of Media, Tourism, Arts, Culture, Sports and the Gaeltacht. In January 2022, the Online Safety and Media Regulation Bill was published. This bill will establish a new regulator made up of the multi-person Media Commission, which will replace the BAI. The commission will be responsible for overseeing the regulation of broadcasting and video on-demand services, and the new regulatory framework for online safety that was created by the bill (DTCAGSP, 2022).

All newspaper groups in Ireland are privately owned commercial operations. Critics have drawn attention to the highly concentrated nature of the Irish media landscape, as Independent News and Media (INM) controls much of the newspaper market (including the regional market), while broadcasting is dominated by RTÉ (Daly, 2019). They also note the extraordinarily high damages that can be awarded in cases of defamation (RSF, 2020). In



November 2019, the minister for justice pledged to reform the Defamation Act in early 2020 (DOJ, 2019). The constitution was amended in 2018 to remove the constitutional prohibition against the “publication or utterance of blasphemous matter,” a provision that dated back to the constitution’s introduction in 1937.

Ireland is ranked sixth in the world in the 2022 Press Freedom Index, the annual report published by Reporters without Borders (2022).

Citation:

Daly, A. (2019) Ireland warned its highly concentrated media ownership is ‘single largest threat to press freedom’, *TheJournal.ie*, 18 April, available at: <https://www.thejournal.ie/press-freedom-index-rsf-ireland-media-ownership-4596375-Apr2019/>

DOJ (2019) Minister Flanagan hosts symposium on reform of defamation law, available at: <http://www.justice.ie/en/JELR/Pages/PR19000279>

DTCAGSP (2022) Publication of the Online Safety and Media Regulation Bill, Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, 14 January, available at: <https://www.gov.ie/en/publication/88404-publication-of-the-online-safety-and-media-regulation-bill/>

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RSF (2020) Reporters Without Borders – Ireland, available at : <https://rsf.org/en/ireland>

Voting and  
Registration  
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 resident in Ireland may vote in parliamentary, European and local elections; other EU citizens may vote at European and local elections; non-EU citizens may vote at local elections only.

There is no population register in Ireland on which voter registration might be based. Instead, an electoral register is compiled by local authorities. To register to vote, a person must ordinarily be a resident at the address recorded in the electoral register by 1 September, when the register comes into force. There is limited provision for postal voting, with the likes of diplomats, civil servants and members of the defense forces posted abroad having access to postal voting. Irish citizens living abroad for other reasons do not tend to have access to postal voting and must return to Ireland to cast a vote. This limited access to overseas voting makes Ireland an outlier in Europe in this regard. The Constitutional Convention also recommended a reduction of the voting age to 16, and the government is considering reducing the voting age for local and European elections in time for the 2024 elections (Oir, 2016). Students

living in Ireland but away from where they are registered to vote due to their studies also have access to postal voting. Some people with certain disabilities or who are unable to access a voting place can arrange to do so at home in the presence of a member of the Gardaí (the national police).

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

The constitutional convention in 2012 – 2014 recommended lowering the voting age from 18 to 16 and the government promised to hold a referendum on this proposal. However, it announced early in 2015 that it no longer planned to hold this referendum and this matter has fallen from public discourse.

In January 2015, the government committed to establishing an independent electoral commission during its term of office, but admitted that this commission would not be ready to function in time for the mid-2016 general election.

Building on commitments dating back to 2015, under the Programme for Government, an independent electoral commission is planned to oversee the conduct of all elections in the state, with the heads of a bill published in January 2021.

The Electoral Commission will be independent of government, reporting directly to the Oireachtas and will take on several existing statutory electoral functions. These functions will include responsibility for the registration of political parties; the work currently carried out by referendum commissions, constituency commissions and local electoral area boundary committees; the regulation of online political advertising during electoral periods; oversight of the Electoral Register; and a new public information, research and advisory role in relation to electoral matters (DHLGH, 2021).

There was a small change to the layout of the ballot paper first introduced in 2016, which is intended to reduce possible voter confusion. The party logos, which were previously on the left of the ballot paper, have now been moved to the right just before the candidates' photographs. This was designed to eliminate the problem of blank boxes on the left of the paper (in the case of independent candidates without a logo) into which some voters inadvertently or deliberately placed their preferences, thus spoiling the ballot.

Six members of Seanad Éireann, the upper house of parliament, are elected by certain university graduates, with three each representing graduates of Trinity College Dublin and the National University of Ireland constituency. The exclusive nature of this enfranchisement for some university graduates is only heightened by the fact that graduates from most higher education institutions in the country are not included. For decades, there has been talk of reforming these constituencies. A 2013 referendum to abolish the Seanad outright that was brought by the government was defeated by 51.73% to 48.27%.

Citation:

Convention on the Constitution: [www.constitution.ie](http://www.constitution.ie)

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

DHLGH (2021) Electoral Commission, Department of Housing Local Government and Heritage, 31 March, available at: <https://www.gov.ie/en/publication/0a17c-electoral-commission/>

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Oir (2016) Electoral (Amendment) (Voting at 16) Bill 2016, available at: <https://www.oireachtas.ie/en/bills/bill/2016/63/>

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

Party Financing  
Score: 8

### Financing of Parties:

The financing of political parties in Ireland is supervised by the Standards in Public Office (SIPO) commission. Each of the political parties registered to contest a parliamentary or European election is required to furnish a donation statement to the commission and to publish annual accounts. The commission publishes reports routinely after elections and published its last annual report in 2020 following the general election (SIPO, 2020a).

Political parties that obtained at least 2% of the first-preference votes in the last general election qualify for public funding under the Electoral Acts. The amount payable to a qualified political party is based on its share of the votes received in the previous election.

Direct public funding is of two types. The first is a contribution to political parties' annual running costs (excluding elections). Each qualifying party receives a fixed sum of about €30,000, plus an additional share based on the

number of first-preference votes it won in the previous election. In 2020, the total funding from this source was some €4.7 million, down from €6.3 million in 2019 (SIPO, 2020b). This drop can be explained by the drop in political activity during the pandemic. The second source is annual allowances to party leaders to cover expenses arising from work in parliament. The allowance for each leader is based on the size of their parliamentary group, although the amount given to government parties is reduced by one-third in order to lessen the “resource gap” between governing and opposition parties. Independent members of parliament are also entitled to this funding, which is currently €1,000 per annum.

In 2020, Sinn Féin received €3.45 million in state funds, while Fianna Fáil received €3.4 million, Fine Gael €2.97 million, the Greens €1.2 million and Labour just less than €1 million. Smaller parties, including the Social Democrats, People Before Profit and Aontú shared more than €1.3 million between them (Gataveckaite, 2021).

The figures above do not cover the reimbursement of election expenses, which are treated separately. In the 2020 general election, each candidate (that secured at least one-quarter of the quota at any point in the count) was entitled to receive a reimbursement of up to €8,700. Candidates in European and presidential elections can claim up to €38,092.14 and €200,000 respectively, if their vote tally is at least 25% of the quota for the constituency (CI, 2021). The overall spend in general elections has continued to fall and in 2020 was down 13% to €7,336,723 compared to 2016. Over €2.5 million was reimbursed by the state to qualified candidates (SIPO, 2020b).

Combining all of these different funding sources, the total sum paid to political parties and candidates was just over €16 million in 2015. As Liam Weeks comments, state funding “amounts to 84% of parties’ total income and indicates the extent to which they have become dependent on the state for survival.”

While a lack of transparency in the sources of political finance used to be a big problem in Irish politics, the very considerably increased levels of state funding have reduced this problem, and strengthened regulation of political donations and campaign spending during elections. Candidates are required to declare all donations over €600, while political parties are required to declare all donations over €1,500. The maximum donation that may be accepted by a teachta dálas (member of parliament); senator; member of the European Parliament; Dáil, Seanad or European election candidate; or a presidential candidate/election agent from any individual or registered corporate donor in a calendar year is €1,000 (SIPO, 2015). The amount of reported private

donations to parties is now relatively low, totaling €152,000 in 2020, with Sinn Féin accounting for almost half of all donations (McQuinn, 2021).

During elections (i.e., from the date of dissolution of the Dáil until polling day) there are strict limits on how much candidates can spend. For the 2020 general election, this ranged from €30,150 in a three-seat constituency to €45,200 in a five-seat constituency (CI, 2021). One caveat is that, outside of the “official” campaign period (defined above), there are no limits on what selected or prospective candidates may spend – which seems to be an odd omission.

Citation:

CI (2021) Election expenses, Citizens Information, available at: [https://www.citizensinformation.ie/en/government\\_in\\_ireland/elections\\_and\\_referenda/running\\_for\\_office/election\\_expenses.html](https://www.citizensinformation.ie/en/government_in_ireland/elections_and_referenda/running_for_office/election_expenses.html)

Gatavekaite, G. (2021) Sinn Féin received the most State funding in 2020, Irish Independent, September 24, available at: <https://www.independent.ie/irish-news/politics/sinn-fein-received-the-most-state-funding-in-2020-40886284.html>

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SIPO (2020b) Exchequer Funding of Political Parties in 2020, available at: <https://www.sipo.ie/reports-and-publications/state-financing/expenditure-of-exchequer/Exchequer-Funding-of-Political-Parties-2020.pdf>

Standards in Public Office Commission, 2017. Political Parties’ Statements of Accounts, available at <http://www.sipo.gov.ie/>

Weeks, L. (2018), ‘Parties and Party System,’ in John Coakley and Michael Gallagher (eds) Politics in the republic of Ireland, 6th edition.

Popular Decision-  
Making  
Score: 5

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

Article 6 of the current 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.” However, 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 to date.

Some minor political parties and actors, most vocally Direct Democracy Ireland, have called in recent years for representative democracy to be replaced by participatory democracy in Ireland and to allow citizens to petition for a referendum on any issue by collecting a certain number of signatures. The party’s high-water mark saw it obtain 1.5% of the votes cast in the 2014 European Parliament election. The 2012–14 constitutional convention discussed the question of popular initiatives and referendums, but did not make a recommendation on the issue.

Ireland has held nine referendums to date on European Union constitutional change, beginning with the accession referendum in 1972. Subsequent to 1987, following a High Court challenge to the ratification by parliament of the Single European Act, successive Irish governments have deemed it necessary to seek approval from the Irish people for any EU constitutional treaty change. Two of these referendums failed (the Treaty of Nice in 2001 and the Treaty of Lisbon in 2008) before subsequently being reversed by the people in a second referendum. The last EU-related referendum was held in 2012 on the EU Fiscal Treaty.

The Citizens’ Assembly was established in 2016 to consider contentious issues of public policy including in relation to abortion, climate change and parliamentary reform. The assembly publishes reports on each topic and the government is required to respond in parliament. In May 2018, a referendum was held that saw an end to Ireland’s restrictive abortion rules as a direct result of the deliberations by the Citizens’ Assembly.

Citation:

The Department of the Environment, Community and Local Government, The Referendum in Ireland, July 2012, available at <http://www.environ.ie/en/LocalGovernment/Voting/PublicationsDocuments/FileDownload,1893,en.pdf>

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

### Access to Information

Media Freedom  
Score: 9

In Ireland, public and private media are independent of government. RTÉ, the state-owned broadcasting company, is supported by fees from a mandatory annual television license. It is obliged to give balanced coverage of political events and to guarantee access to a variety of political views. Access by

political parties for electioneering purposes must also be balanced. The state broadcaster faces competition from private TV and radio stations and does not enjoy a monopoly in any area.

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

All broadcasters are legally obliged to report news in an objective and impartial manner, without any expression of the broadcaster’s own views. All newspapers (whether they be “Irish owned” or “Irish editions of British newspapers”) are privately owned and dependent on commercial revenue; none receive public funding.

The Press Council of Ireland and the Office of the Press Ombudsman were established on 1 January 2008. Through the ombudsman, citizens have access to an independent press complaints mechanism, which 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 an adequate complaints procedures to prevent this from undermining the democratic process.

Controversy has surrounded the issue of the right of a newspaper to protect its sources, for example, by destroying relevant documents. In 2014, the European Court of Human Rights ruled that The Irish Times had to pay its own costs in a case on this issue that the newspaper filed against the state (MacCormaic, 2014). The court commented that the costs ruling could have “no impact on public-interest journalists who vehemently protect their sources yet recognize and respect the rule of law.”

Ireland ranked sixth in the 2022 Press Freedom Index produced by Reporters without Borders, a reflection of the openness and plurality that characterize the Irish media landscape.

MacCormaic, R. (2014) European court rules against ‘Irish Times’ on Mahon tribunal case costs, The Irish Times, 24 October, available at: <https://www.irishtimes.com/news/crime-and-law/european-court-rules-against-irish-times-on-mahon-tribunal-case-costs-1.1974970>

Rafter, K. (2018), ‘The Media and Politics,’ in *Politics in the Republic of Ireland* (6th edition, Routledge).  
Reporters without Borders (2022), ‘Ireland’, <https://rsf.org/en/index>

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 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.

Notably, compared to equivalent outlets in the United Kingdom, Irish newspapers do not tend to have explicit political affiliations and tend not, for example, to support parties or candidates at election time.

There is a plurality of ownership in the Irish media – the sector includes state radio and TV, private radio and TV, a variety of newspapers with varied private ownership, and many small-circulation magazines that purvey alternative political views and philosophies. However, there are recurrent complaints about the influence and power of the Independent News and Media Group (INM), an Irish-based multinational media company that owns the largest-circulation national titles. 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 allegations of bias in its core news and editorial comment. There does not appear to be much basis for such claims.

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

Broadcasters try to meet their statutory requirements of achieving balance in electoral coverage by adopting what Kevin Rafter describes as a “stopwatch” approach – making adjustments during the campaign to try and make sure that actual coverage closely corresponds to the pre-determined on-air allocations. This can be more difficult to judge at times when there is a large swing in the fortunes of the parties. The collapse of the Fianna Fáil vote at the 2011 election was a dramatic example of this difficulty. In 2011, RTÉ introduced a new weighting system composed of four elements (each element weighted at 25%), namely first-preference votes at the previous general election of 2007; percentage of seats held by the party at the time of the 2011 election; an estimate of the number of candidates nominated by each party in 2011; and an



average of (a) mean opinion poll results from 2007 to 2011, (b) percentage of first-preference votes in the 2009 European Parliament elections and (c) first-preference votes in the 2009 local government elections.

The Electoral Reform Bill 2021 proposes to regulate online political advertising (Lynch, 2021). The proposals build on the Online Advertising and Social Media (Transparency) Bill (2017), and on the findings of the Interdepartmental Group on the Security of Ireland's Electoral Process and Disinformation report (Gov 2019),

Citation:

Gov (2019) Interdepartmental Group on Security of Ireland's Electoral Process and Disinformation, Government of Ireland Progress Report, available at: <https://assets.gov.ie/39188/8c7b6bc1d0d046be915963abfe427e90.pdf>

Lynch, C. (2021) The regulation of online political advertising Evaluating the Government's proposals, Houses of the Oireachtas Library and Research Service, 04 February, available at: [https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2021/2021-02-08\\_l-rs-note-the-regulation-of-online-political-advertising-evaluating-the-government-s-proposals\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2021/2021-02-08_l-rs-note-the-regulation-of-online-political-advertising-evaluating-the-government-s-proposals_en.pdf)

Rafter, K. (2018), 'The Media and Politics,' in Politics in the Republic of Ireland (6th edition, Routledge).

Access to  
Government  
Information  
Score: 8

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

The existing FOI legislation has been used effectively by individuals and the press to gain access to information regarding matters such as the manner in which ministries reach decisions, public procurement expenses, and instances of the waste of public funds. In 2018, over 37,000 FOI requests were made to public bodies, up from 28,000 in 2015 (Burns, 2019).

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 of Ireland (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 (e.g., figures on inflation and unemployment) are made available to ministries shortly before their publication, but they have no right to alter these data or to influence how they are presented. The CSO enjoys a good reputation internationally in both its independence from political interference and the technical competence of its staff.

A major problem has arisen with respect to the compilation of national income statistics by the CSO. Following changes to the European System of Accounts in 2010 as well as other statistical reporting procedures, the CSO's statistics for GDP, exports and investment have been artificially inflated. This is due to multinational corporations transferring intellectual property rights to Ireland and then through a process of onshoring in which the profits of their affiliates abroad are attributed to their Irish operations. Such has been the pace of these activities that official statistics are often vastly exaggerated, and need to be severely adjusted to determine the real value added by multinational corporations and aircraft leasing companies in Ireland (Ihle, 2021). Both the central bank of Ireland, and the Economic and Social Research Institute have published revised statistics using a value-added approach to determine the real rate of growth of the Irish economy.

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

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

Burns, S. (2019) Up to 37,000 freedom of information requests made in 2018, *The Irish Times*, 10 July, available at: <https://www.irishtimes.com/news/ireland/irish-news/up-to-37-000-freedom-of-information-requests-made-in-2018-1.3951880>

DOF (2021) Ireland joins OECD International Tax agreement, Department of Finance, 07 October, available at: <https://www.gov.ie/en/press-release/59812-ireland-joins-oecd-international-tax-agreement/>

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Ihle, J. (2021) Irish prosperity overstated by EU rankings, says former Central Bank governor Honohan, *The Irish Independent*, 04 February, available at: <https://www.independent.ie/business/irish/irish-prosperity-overstated-by-eu-rankings-says-former-central-bank-governor-honohan-40051912.html>

Civil Rights  
Score: 9

### Civil Rights and Political Liberties

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 31st amendment to the constitution strengthened provisions regarding the rights of the child.

On 25 May 2018, a referendum on the 31st Amendment of the Constitution of Ireland, which proposed permitting the Irish parliament (the Oireachtas) to legislate for abortion, was passed by 66.4% of voters. It was signed into law by the president on 18 September 2018.

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(s). The best legal advice is very expensive. These considerations limit the effectiveness of equality of access to justice especially in matters relating to defamation (see “Media Access”), property disputes and other areas not covered by legal aid.

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

Political Liberties  
Score: 9

Freedom of speech, freedom of assembly, and the right to form unions and associations without religious, political or class discrimination are enshrined in the Irish constitution. These rights have been protected and upheld by the Irish courts over the years, subject only to restrictions regarding sedition, blasphemy and breaches of the peace. In October 2014, the government accepted the constitutional convention's recommendation that a referendum be held on removing the offense of blasphemy from the constitution. On 26 October 2018, the amendment to remove the offense of blasphemy from the Irish constitution was passed by a margin of 64.85% to 35.15%. Notwithstanding this constitutional change, the Defamation Act 2009 has not been repealed, even though section 36 of the act carries a maximum fine of €25,000 for the utterance of material that is "grossly abusive or insulting in relation to matters held sacred by any religion." However, only the Director of Public Prosecutions can instigate proceedings under this act and given its wording many constitutional lawyers believe it is unworkable.

Sinn Féin, the political wing of the formerly illegal Irish Republican Army has become increasingly involved in mainstream Irish politics since the late 1990s. Its share of the national vote has grown steadily from 1.6% in 1992 to 24.5% in 2020, while the number of seats it occupies in parliament grew from zero to 37 during this time. 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 and under the Irish constitution. 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 Traveler Community in employment, vocational training, advertising, collective agreements, the provision of goods and services, and other opportunities to which the public generally has access. The Equality Authority is an independent body set up under the Employment Equality Act, 1998 to monitor discrimination. An independent equality tribunal was established under the same act to offer an accessible and impartial forum to remedy unlawful discrimination. These agencies have been active in recent years and successful in prosecuting cases on behalf of parties who felt they had been discriminated against.

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

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

Legal Certainty  
Score: 7

### Rule of Law

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. Notably, prior to the pandemic, the third interim report of the Disclosures Tribunal by Judge Peter Charleton, on 11 October 2018, revealed a considerable amount of corruption and inappropriate behavior with respect to the handling of statements by police whistleblowers at the higher levels of the police force.

There were many examples of emergency legislation being introduced within the context of the government's response to the COVID-19 pandemic throughout 2020 and 2021. Such legislation – pertaining, for example, to the curtailment of economic and social activity and to the administration of the healthcare service – were subject to parliamentary scrutiny and were time limited.

Notably, an active COVID-19 special parliamentary committee has provided legislative oversight throughout the COVID-19 pandemic (Colfer & O'Brennan, 2021). In its final report in October 2020, the committee called for an inquiry into coronavirus-related deaths in care homes, which accounted for more than half of all COVID-19 deaths in 2020 (Oir, 2020).

A significant degree of discretion is vested in the hands of officials (elected and non-elected) in relation to infrastructure projects as well as town and rural planning. Following the collapse of the housing market in 2009, there has been much less scope for corruption in relation to development and public contracts.

Questions around planning and access to housing returned to the top of the political agenda in 2022, especially in Dublin where the cost of an average home now exceeds €500,000 (Burke-Kennedy, 2022).

#### Citation:

Burke-Kennedy, E. (2022) €500,000 price tag for 'average' Dublin property, *The Irish Times*, 16 February, available at: <https://www.irishtimes.com/business/economy/500-000-price-tag-for-average-dublin-property-1.4804058#:~:text=Dublin%20prices%20%E2%80%93%20where%20the%20average,price%20under%20Central%20Bank%20rules>.

Colfer, B. & O'Brennan, J. (2021) *Ireland Report – Sustainable Governance in the Context of the COVID-19 Crisis*, Bertelsmann Stiftung (Ed.), available at: <https://www.bertelsmann-stiftung.de/en/publications/publication/did/ireland-report-en>

Oir (2020), 'Final report of the special committee on Covid-19', Houses of the Oireachtas, October 06, [https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/special\\_committee\\_on\\_covid\\_19\\_response/reports/2020/2020-10-09\\_final-report-of-the-special-committee-on-covid-19-response-sccr004\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/special_committee_on_covid_19_response/reports/2020/2020-10-09_final-report-of-the-special-committee-on-covid-19-response-sccr004_en.pdf)

The report of the Inquiry into the behaviour of the police in relation to allegations of misconduct and corruption is available here: <http://www.merriestreet.ie/wp-content/uploads/2014/05/Final-Redacted-Guerin-Report-OCR.pdf>

The inquiry into the circumstances surrounding the resignation of the Garda Commissioner was conducted by a former Supreme Court judge, Justice Fennelly, and is available here: [https://docs.googleusercontent.com/docs/securesc/ha0ro937gcuc717deffksulhg5h7mbp1/bjfn1u1n4ifdcsekb8vsaf0a2nnd850m/144283680000/10437822469195814790/\\*0B2B2HUQaR5vwUnpJRTZnMU1tbWc?e=download&sep](https://docs.googleusercontent.com/docs/securesc/ha0ro937gcuc717deffksulhg5h7mbp1/bjfn1u1n4ifdcsekb8vsaf0a2nnd850m/144283680000/10437822469195814790/*0B2B2HUQaR5vwUnpJRTZnMU1tbWc?e=download&sep)

Disclosures Tribunal (Tribunal of Inquiry into protected disclosures made under the Protected Disclosures Act 2014 and certain other matters following Resolutions). Third interim report by Mr. Justice Peter Charleton, October 11, 2018.

Judicial Review  
Score: 9

A wide range of public decisions made by administrative bodies and the decisions of the lower courts are subject to judicial review by higher courts. When undertaking a review, the court is generally concerned with the lawfulness of decision-making processes and the fairness of any decision. High Court decisions may be appealed to the Court of Appeal.

In October 2013, a referendum proposing the creation of a new Court of Appeal was passed. The new court, which was established in October 2014, hears cases appealing decisions of the High Court.

Between 1937 and 2015, the courts declared 93 cases unconstitutional (Hogan et al, 2015).

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. The courts act independent of and are free from political pressures.

Appointment of Justices  
Score: 7

The constitution states that judges are appointed by the president on the advice of the government (Articles 13.9 and 35.1).

The key government actors involved in making senior appointments are the taoiseach, the minister for justice, the attorney general and (in the case of a coalition government) any other party leader(s). This means that paper qualifications are not enough; “a crucial factor is being known personally by one of the key players” (Gallagher 2018, citing MacNeill 2016). Until 1996, this followed an informal procedure.

In theory, this all changed following the creation in 1996 of the Judicial Appointments Advisory Board (JAAB), which acts in an advisory capacity regarding appointments to the Supreme Court. The government has the power to appoint a person who has not applied to, and has not been considered by, the JAAB. Nevertheless, the JAAB acts as a kind of short-listing committee. It has now become known that “within around five years of its establishment, the

JAAB, perhaps over-cautiously, deferred to legal advice that it might be infringing on the government's constitutional right to appoint judges by doing anything more than simply forwarding the entire list of applicants to the government minus those that it deems unsuitable" (Gallagher 2018, 72, citing MacNeill 2016, 33). Thus, the JAAB in practice has been about weeding out unsuitable applicants. Suggested reforms, which would return the JAAB to its originally intended role, might involve requiring it to rank-order a short list of three or five names (see Cahillane 2017).

In May 2018, the Dáil introduced a new bill to establish the Judicial Appointments Commission to replace the JAAB. The new body would be composed of five judges, three lawyers representing the attorney general and nine lay members (The Irish Times, 31 May 2018). The proposal is that the new body would recommend three candidates to fill any judicial vacancy and the government would choose one of them. The bill was supported by then Minister for Transport Shane Ross, who argued it would help to end "cronyism" in appointments. The bill attracted opposition from some judges and opposition politicians, who claimed that it may undermine judicial independence. By December 2018, the bill had not yet passed the Seanad. In the committee stage, 191 amendments were tabled to the bill (The Irish Times, 28 November 2018). An Irish Times story was titled, "Taoiseach slates 'Seanad filibuster' of judicial appointments law." The bill finally passed the Seanad in December 2019 and was returned to the Dáil.

Under the general scheme of what is now the Judicial Appointments Commission Bill 2020, the nine-member Judicial Appointments Commission would be established to replace the Judicial Appointments Advisory Board (JAAB). The commission would be chaired by the chief justice rather than by a lay chairperson, as had been envisaged in the 2017 bill. A majority of the commission (four out of nine) will be lay members (DOJ, 2020).

While the process of judicial appointments does not require cooperation between democratic institutions and does not have majority requirements, appointments have, in the past, not been seen as politically motivated and have not been controversial.

However, changes made in April 2012 to the system of regulating judges' pay and pensions, and the appointment of judges provoked controversy. Judges' pay and pensions had been shielded from the cuts in public sector pay implemented during the economic crisis, but a huge majority of voters in a referendum in October 2011 voted to remove this protection (almost 80% voted for this change). The Association of Judges of Ireland has called for the

establishment of an independent body to establish the remuneration of judges, and improve lines of communication between the judiciary and the executive.

Controversy enveloped the most recent appointment to the Supreme Court in summer 2020 when a dinner was held in the west of Ireland by the Houses of the Oireachtas Golf Club shortly after the country's pandemic restrictions had been reduced. While no rules were deemed to have been broken, the fallout from the negative coverage of the event saw the resignation of a senior government minister and the country's representative on the European Commission. Justice Séamus Wolfe was in attendance at the dinner and agreed to delay his start date on the court and he donated part of his salary to charity in response to the controversy (McConnell, 2020).

Citation:

Cahillane, L. (2017), 'Judicial Appointments in Ireland: the Potential for Reform,' in Laura Cahillane, James Gallen and Tom Hickey (eds), *Judges, Politics and the Irish Constitution*. Manchester University Press.

Gallagher, M. (2018), 'Politics, the Constitution and the Judiciary,' in John Coakley and Michael Gallagher (2018, eds) *Politics in the Republic of Ireland*, 6th edition. Routledge.

Gwynn Morgan, D. (2012), 'Government and the Courts,' in Eoin O'Malley and Muiris (eds) *Governing Ireland: From Cabinet Government to Delegated Governance*. Dublin: IPA.

MacNeill, J. (2016). *The Politics of Judicial Selection in Ireland*. Dublin: Four Courts Press.

McConnell, D. (2020) Daniel McConnell: Have we all got it wrong on Seamus Woulfe? Irish Examiner, 10 November, available at: <https://www.irishteamer.com/opinion/commentanalysis/arid-40079342.html>

Corruption  
Prevention  
Score: 8

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

In January 2014, the Public Service Reform Plan 2014 – 2016 was published. Its stated goal was to maintain momentum with regard to reducing costs and increasing efficiency in the public sector, "to deliver greater openness, transparency and accountability and to strengthen trust in government and public services." This was followed up by the Our Public Service 2020 plan, which contains 18 actions, including new initiatives and actions focused on building on reforms already in place, such as the need to accelerate the digital delivery of services (DPER, 2020).

On 6 September 2017, Assistant Garda Commissioner Michael O'Sullivan published a report showing that out of the 3,498,400 breath tests recorded on the Garda's Pulse computer system only 2,040,179 were actually recorded using alcohol testing devices. This left a discrepancy of 1,458,221 fictive breath tests. Three causes for this glaring deficiency were presented: systems failures, difficulties in understanding Garda policy, and oversight and



governance failures. It is highly regrettable that the Department of Justice and Garda authorities have not seen it appropriate to prosecute any member of the Garda force because of the massive over-reporting of alcohol breathalyzer tests.

On 11 October 2018, Justice Peter Charleton published the third interim report of the Disclosures Tribunal (Tribunal of Inquiry into protected disclosures made under the Protected Disclosures Act 2014 and certain other matters following resolutions). In the report, Judge Charleton vindicated the behavior of Sergeant Gerry McCabe, a Garda whistleblower, who had been treated appallingly (including having had allegations of child sexual abuse made against him) by certain sectors of the police force. The report also vindicated Garda Commissioner Noirín O’Sullivan and former Minister for Justice Frances Fitzgerald, but was highly critical of the behavior of former Commissioner Martin Callinan, who resigned in 2014, and former Garda press officer Superintendent David Taylor, who retired early in 2018.

The saga of the two Garda whistleblowers, Gerry McCabe and John Wilson, showed a deep antagonism in the upper echelons of the police force toward disclosures (whistleblowing) by junior members of the force. More disturbingly, it showed that some police superiors were prepared to blacken the name of whistleblowers by making untruthful allegations about them to government ministers, politicians and members of the press.

In 2021, Ireland ranked 13th in the world (out of 180 countries) in the Corruption Perceptions Index by Transparency International.

Citation:  
Transparency International (2021) Ireland, Corruption Perception Index,  
<https://www.transparency.org/en/countries/ireland>

The 2014 Public Services Reform Plan is available here:

<http://reformplan.per.gov.ie/>

Mr Justice Peter Charleton, Third Interim Report of the Disclosures Tribunal, October 11, 2018

# Good Governance

## I. Executive Capacity

### Strategic Capacity

Strategic  
Planning  
Score: 7

There is some evidence that Irish policymakers improved their strategic-planning capacity since the period in the immediate aftermath of the crisis. The annual reports on successive government programs detail a more coherent strategic approach to policymaking and increased use of advisory bodies. The government has relied heavily on experts over the course of the COVID-19 pandemic to inform policymaking and to justify decisions, especially the chief medical officer and members of the National Public Health Emergency Team (Colfer, 2021).

However, independent advice is not always followed. Popular pressures for increased spending and tax reductions continue to influence government decisions regarding the annual national budget and often reflect the proximity of a general election. Prior to the pandemic, the Irish Fiscal Advisory Council, and the Economic and Social Research Institute urged the government to devote more of the revenue gains arising from economic improvements to reducing the budget deficit quicker, at the expense of lower taxes and increased spending. However, the imposition of limits on mortgage lending, intended to moderate the rise in home prices following the experiences of the housing crash, is a welcome example of unpopular but prudent strategic thinking.

While coalition agreements have been increasingly monitored, especially since the innovations of the 1992 – 1997 coalition government, concerning the much greater use of special advisers and program managers, more recently

governments have published annual monitoring reports on the coalition programs. These tend to be very detailed annual reports, some much longer than the original coalition agreement. The 2020 Programme for Government: Our Shared Future document runs to 128 pages with no review published yet within the life of this government (Gov, 2020)

Citation:

Colfer, B. (2020) Herd-immunity across intangible borders: Public policy responses to COVID-19 in Ireland and the UK, *European Policy Analysis*, 06(02) pp 203-225, <https://doi.org/10.1002/epa2.1096>;

Gov (2020) Programme for Government: Our Shared Future, Department of the Taoiseach, 27 October, available at: <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>

Expert Advice  
Score: 6

In 2009, Professor Patrick Honohan of Trinity College Dublin was appointed governor of the central bank of Ireland. This marked a break with the tradition that the retiring permanent secretary of the Department of Finance would succeed to the governorship. Following his retirement toward the end of 2015, the government announced the appointment of another academic, Professor Philip Lane of Trinity College Dublin, as his replacement. Following Professor Lane's appointment as chief economist to the European Central Bank, Professor Lane was replaced as governor of the central bank of Ireland, for a seven-year term starting on 1 September 2019, by Gabriel Makhlouf, a former secretary to the New Zealand Treasury.

The Irish Fiscal Advisory Council (FAC) is an independent statutory body, comprising five experts, mainly drawn from academia. It was established in 2011 as part of a wider reform of Ireland's budgetary procedures. The FAC is required to "independently assess, and comment publicly on, whether the government is meeting its own stated budgetary targets and objectives." The claim made by then chairman of the council, Professor John McHale of National University of Ireland, Galway, that the 2016 budget violated the rules of the European Union's Stability and Growth Pact received much publicity. This assertion, however, was quickly withdrawn following a rebuttal by the minister for finance. Nonetheless, the FAC stuck to its criticism of the 2016 budget as being excessively expansionary. Following his retirement, Professor McHale was replaced as chairman of the by Professor Seamus Coffey of University College Cork. The FAC's criticism of the government's excessive reliance on financing brought about by buoyant corporate tax revenues in recent budgets at least provoked a commitment by the minister of finance in the 2020 budget to produce a Fiscal Vulnerabilities Scoping Paper, which would examine corporation tax over-performance and policy options aimed at ensuring the sustainability of the public finances.

Academics have regularly held advisory posts in government ministries, including in the Taoiseach's Office and at the Department of Finance. Advisers meet regularly with ministers but there is no information on the

impact on policymaking of the advice proffered. There is no established pattern of open consultations with panels of non-governmental experts and academics, although some ad hoc arrangements have been made from time to time. As above, the government has relied heavily on experts over the course of the COVID-19 pandemic, including the chief medical officer and the National Public Health Emergency Team (Colfer, 2021).

Citation:

Colfer, B. (2020) Herd-immunity across intangible borders: Public policy responses to COVID-19 in Ireland and the UK, *European Policy Analysis*, 06(02) pp 203-225, <https://doi.org/10.1002/epa2.1096>;

Academics are active in several recently-formed independent blogs that may have some influence on policy maker. These include: <http://www.irisheconomy.ie> <http://www.publicpolicy.ie> <http://www.politicalreform.ie> <http://www.nerinstitute.net>

### Interministerial Coordination

GO Expertise  
Score: 7

The influence and effectiveness of the Department of the Taoiseach is limited by a dearth of analytical skills. One frequently made criticism has focused on the continued reliance on “generalist” recruitment to the civil service. Recent governments have also been criticized for recruiting too many journalists as policy advisers.

The department is focused on strategic policy issues and the delivery of the Programme for Government. The Department of the Taoiseach has steadily grown over the years from about 30 people in 1977 to 223.8 full-time equivalent staff employed across the department in 2022 (Martin, 2022). The Department of Finance is much larger with over 500 people. The Department of the Taoiseach coordinates policy in specific policy areas (e.g., Northern Ireland, European affairs, and more recently Brexit and the COVID-19 pandemic). Nevertheless, most policymaking continues to take place in the line ministries.

An expert group on strengthening civil service accountability and performance reported to government in May 2014. Among the numerous recommendations it made, it proposed the establishment of an accountability board for the civil service, chaired by the taoiseach but including external members. This board would be tasked with reviewing and constructively challenging the performance of senior management as well as monitoring progress on the delivery of agreed-upon priorities. It also recommended that the Irish Civil Service be given an appointed head. An accountability board chaired by the taoiseach with independent members designed to oversee governance across the civil service was established in May 2015 (DPER, 2019). In July 2021, Martin Fraser, the head of the civil service, who is also secretary-general of

the Department of the Taoiseach, was appointed ambassador to London and a process to replace him is scheduled to take place in the first half of 2022 (Bray, 2022).

Citation:

Bray, J. (2022) Ireland's most senior civil servant to become ambassador to London, *The Irish Times*, 27 July, available at: <https://www.irishtimes.com/news/politics/ireland-s-most-senior-civil-servant-to-become-ambassador-to-london-1.4631099>

DPER (2019) Accountability Board, Department of Public Expenditure and Reform, 11 January, available at: <https://www.gov.ie/en/collection/a029b7-accountability-board/>

Martin, M. (2022) Parliamentary Question, Oral answers (20 contributions) (Question to Taoiseach), Dáil Éireann debate 01 March, available at: <https://www.oireachtas.ie/en/debates/question/2022-03-01/1/#:~:text=The%20Taoiseach,-Share&text=At%20present%2C%20there%20are%2020223.8,staff%20employed%20across%20the%20Department>

Regan, A. & Shayne, M. (2012), 'The Core Executive: the Department of the Taoiseach and the Challenge of Policy Coordination,' in Eoin O'Malley and Muiris MacCarthaigh (eds). *Governing Ireland: from Cabinet Government to Delegated Governance*. Dublin: IPA.

The report of the Independent Panel on Strengthening Civil Service Accountability and Performance is available here: <http://www.per.gov.ie/civil-service-accountability-consultation-process/> Niamh Hardiman.

Line Ministries  
Score: 9

The Taoiseach's Office is involved in legislative and expenditure proposals. The process is highly interactive with much feedback between the line ministries, the Taoiseach'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. The Cabinet Handbook lays out detailed procedural rules for the discussion of policy proposals and the drafting of legislation. It is publicly available on the website of the Department of the Taoiseach (Gov, 2006).

As in many countries, the Department of Finance is a lot more than a regular line ministry. For most of the history of the state, it has been the first among equal government ministries. The procedures state:

“As a matter of principle, the sanction of the minister for finance is required for all expenditure. In any proposal for new legislation, it should be made clear that the sanction of the Minister for Finance is required to incur any expenditure under the legislation. Neither the voting of money by Dáil Éireann, nor the inclusion of an allocation in an Estimate constitutes sanction.” (Department of Finance 2008: Public Financial Procedures).

Citation:

Department of Finance (2008)

Government of Ireland (2006)

Cabinet  
Committees  
Score: 8

Cabinet committees are established by the government and managed by the Department of the Taoiseach. Cabinet committees derive their authority from government. Membership of cabinet committees includes cabinet ministers, ministers of state (junior ministers) and may also include the attorney general.

When a policy area cuts across departmental boundaries or is an urgent priority (e.g., Brexit or the COVID-19 pandemic), a common response is to set up a cabinet committee. The number of committees, and their relative size and composition is at the discretion of the Taoiseach. As such, there is no semi-permanent standing committee structure, as there is in some other countries.

For example, under the 2002 – 2007 government, there were 11 cabinet committees, in the following government there were only six.

This means that many government ministers will serve on multiple cabinet committees, sometimes simultaneously. In 2011, the minister for finance was a member of five out of eight cabinet committees. The essential job of cabinet committees is to coordinate policy initiatives, especially when substantive policy proposals concern multiple different ministries.

In 2022, there are 10 cabinet committees. The most recent addition focuses on COVID-19, while the other committees focus on economic recovery and investment; housing; healthcare; the environment and climate change; social affairs and equality; education; European affairs; Brexit and Northern Ireland, and government coordination (Gov, 2021). The committees range in size from six to 13 members, with the exception being the Government Coordination Committee, which brings together the three heads of the coalition parties and serves as a steering committee for the government program.

Each of the cabinet committees is supported by a group of senior officials from the civil service who meet in advance of the committee to prepare agendas and identify problem areas. It has been reported that, during the 2000s, “cabinet committees were attended not only by cabinet members but also by senior officials and often heads of agencies too” (Hardiman et al. 2012, 116).

In terms of their official composition, members are a mixture of full cabinet ministers and ministers of state. The taoiseach, tánaiste, minister for the environment, minister for finance, and minister for public expenditure and reform are members of each committee.

Cabinet committees are chaired by the taoiseach or a senior official of the Department of the Taoiseach. Cabinet committees generally make policy recommendations, which are followed up by a formal memo to the government.

Citation:

Gov (2021) Cabinet Committees of the 32nd Government, Department of the Taoiseach, 05 January, available at: <https://www.gov.ie/en/organisation-information/48fd2-cabinet-committees-of-the-32nd-government/>

Hardiman, N., Regan, A., & Shayne, M. 'The Core Executive: The Department of the Taoiseach and the Challenge of Policy Coordination, in Eoin O'Malley and Muiris MacCarthaigh (eds, 2012), *Governing Ireland: From Cabinet Government to Delegated Governance*. Dublin: IPA.

For information about Cabinet Committees see: [http://www.taoiseach.gov.ie/eng/Taoiseach\\_and\\_Government/Cabinet\\_Committees](http://www.taoiseach.gov.ie/eng/Taoiseach_and_Government/Cabinet_Committees)

Ministerial  
Bureaucracy  
Score: 6

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

While coordination across government is often an up-hill battle, the development of the cabinet committee system has somewhat improved matters. Hardiman et al (2012, p.120) conclude, “perhaps the most significant organizational change aimed at improving cross-departmental coordination has been the growing reliance on the cabinet committee system.”

Another source of interdepartmental coordination stems from the practice of cabinet and junior ministers each appointing their own “special adviser.” These advisers meet to debate policy proposals: O'Malley and Martin (2018, p265) comment that “the advisers collectively operate in effect as a lower-level cabinet.

Citation:

Hardiman, N., Regan, A., & Shayne, M. 'The Core Executive: The Department of the Taoiseach and the Challenge of Policy Coordination, in Eoin O'Malley and Muiris MacCarthaigh (eds, 2012), *Governing Ireland: From Cabinet Government to Delegated Governance*. Dublin: IPA.

O'Malley, E. & Martin, S. 'The Government and the Taoiseach,' in John Coakley and Michael Gallagher, *Politics in The Republic of Ireland*. (Routledge, 2018).

Informal  
Coordination  
Score: 8

All governments in Ireland since 1989 have been coalition governments. The 2016 general election produced a Fine Gael-led minority government with nine independent deputies. This government was dependent on the abstentionism of the main opposition party, Fianna Fáil, in votes relating to confidence and supply. The government in office since 2020 is a novel coalition of Fianna Fáil and Fine Gael – who between them have led every government since the foundation of the state, but never in coalition before 2020 – along with the Greens.

The impression conveyed by accounts of cabinet meetings is that the agenda is usually too heavy to allow for long debates on fundamental issues, which tend to be settled in various ways prior to any meeting. On the whole, these informal coordination mechanisms appear to work effectively (see also “Ministerial Bureaucracy” on the importance of ministers’ special advisers).

During the 2011 to 2016 coalition government, the need for tight coordination was greater given that this government had to deal with the economic and financial crisis. The Economic Management Council (EMC) was introduced as a kind of “war cabinet.” It was composed of four key cabinet members: the taoiseach and tánaiste (the two coalition party leaders), and the two key economic portfolios, the minister for finance and the minister for public expenditure (one from each party). The EMC also included these four ministers’ top officials and advisers, about 13 in total. The EMC was an inner cabinet that took key decisions – a level of formal tight coordination not previously seen in Ireland. Partly because the crisis had mainly passed, the EMC was discontinued after the 2016 election.

In May 2020, a cross-party special committee was established to consider and take evidence on the state’s response to the coronavirus pandemic. The committee was chaired by an independent deputy and published its final report in October 2020 (Oir, 2020). Observers raised concerns regarding public comments made by the chair of the committee, who raised doubts about the efficacy of lockdowns and restrictions, and on another occasion described concerns about rising infection rates in Ireland as “hysterical” (Horgan-Jones, 2020).

Citation:

Horgan-Jones, J. (2020) Chair of Covid-19 committee criticised over ‘hysteria’ comment, *The Irish Times*, August 17, available at: <https://www.irishtimes.com/news/ireland/irish-news/chair-of-covid-19-committee-criticised-over-hysteria-comment-1.4332508>

Oir (2020), ‘Final report of the special committee on Covid-19’, Houses of the Oireachtas, October 06, [https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/special\\_committee\\_on\\_covid\\_19\\_response/reports/2020/2020-10-09\\_final-report-of-the-special-committee-on-covid-19-response-sccr004\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/special_committee_on_covid_19_response/reports/2020/2020-10-09_final-report-of-the-special-committee-on-covid-19-response-sccr004_en.pdf)



Digitalization for  
Interministerial  
Coordination  
Score: 7

The government uses digital technologies in most cases and this appears to provide effective interministerial coordination. Throughout 2020 and 2021, “incorporeal” (i.e., remote) cabinet meetings were held online in keeping with prevailing public health and social distancing measures.

Ireland is perceived to lag behind other highly developed EU member states in the effort to digitize government services. In early 2022, a new digital strategy – The Digital Ireland Framework – was introduced with the aim of driving and enabling digital change across Irish economic and social life. It includes elements designed to drive digital transformation within the government, an ambition also served by the Irish plan for distribution of Next Generation EU funds.

Citation:  
Government of Ireland (2022) ‘Launch of Harnessing Digital’, 1 February 2022, <https://www.gov.ie/en/press-release/3a922-online-launch-of-harnessing-digital-the-digital-ireland-framework/>

### Evidence-based Instruments

RIA Application  
Score: 5

The 2011 Programme for Government stated, “We will require departments to carry out and publish Regulatory Impact Assessments [RIAs] before government decisions are taken.” In principle, RIAs are used by all government departments. In practice, the range of RIAs completed and published is narrow. The last published list of completed RIAs dates from 2009 (Gov, 2018).

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

The cancellation and repayment of water charges paid to Irish Water in 2017 constituted a major failure in the areas of regulatory impact assessment, policy coordination and government communication with the public.

In 2021, the OECD pushed Ireland to establish a core body to perform vital oversight and scrutiny functions, such as reviewing the quality of RIAs. There were good examples cited, such as the Department of Business, Enterprise and Innovation’s assessment of the 2018 Copyright and Other Intellectual Property

Law Provisions Bill and the Department of Transport's 2021 assessment for merchant shipping (the Investigation of Marine Casualties Amendment Bill). But the OECD criticized the failure to publish many of the RIAs carried out by government departments (Ferris, 2021).

Citation:

Ferris, T., (2021) 'OECD scores show Ireland must try harder on regulatory impact assessments', The Irish Times, 6 December 2021, <https://www.irishtimes.com/business/economy/oecd-scores-show-ireland-must-try-harder-on-regulatory-impact-assessments-1.4747437>

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](http://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_2011/Revised_RIA_Guidelines_June_2009.pdf) Parts of the Independent Assessment of 'The options for water provision' are available at <http://www.environ.ie/en/Publications/Environment/Water/FileDownload,29194,en.pdf>

Quality of RIA  
Process  
Score: 4

The accessibility and communication of the RIAs that have been performed are poor, and independent quality evaluations are not conducted. RIAs have been required since 2005 for issues that involve changes to the regulatory framework.

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

The 2021 OECD Regulatory Policy Outlook scored Ireland relatively highly on adoption and methodology, but significantly lower on transparency and oversight. The composite score for Ireland was 2.09 out of four. Given that it is the quality of RIAs that really matters, the Irish performance was perceived to be disappointing (Ferris, 2021; OECD, 2021).

Sustainability  
Check  
Score: 5

Some of the suggested sustainability checks are included in the RIA Guidelines published in 2009 (a 97-page document), 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.

A strategic environmental assessment was built into the government's 2021 Climate Action Plan. It remains to be seen whether it will deliver better and, in particular, more transparent regulatory impact assessment.

Citation:

Government of Ireland (2021) 'Climate Action Plan 2021'.

Quality of Ex  
Post Evaluation  
Score: 3

Prior to the pandemic, the extent of overspending in healthcare totaled more than €2 billion over the previous four years, according to the Irish Fiscal Advisory Council. Such budgetary over-runs suggest that there is little ex post

evaluation of policy in this significant budgetary area. Each year the government is presented with an over-run that is tacitly accepted and paid for out of buoyant tax revenues. However, if tax revenues fall, the ability of the government to fund such over-runs will create significant political tensions.

Notably, the central bank calculated that the cost of all measures deployed by the government to fight the pandemic in 2020 was €24.6 billion (Conefrey et al 2021), with an Exchequer deficit of €7.5 billion recorded in 2021 (DOF, 2022).

Citation:

Conefrey, T., Hickey, R. & McInerney, N. (2021) COVID-19 and the Public Finances in Ireland, Economic Letter, Vol. 2021, No. 3.

DOF (2022) Exchequer deficit of €7½ billion recorded in 2021: Corporation tax receipts at similar levels to VAT, €13½ billion in Covid related expenditure to support recovery – Ministers Donohoe & McGrath, Department of Finance, 05 January, available at: <https://www.gov.ie/en/press-release/badf9-exchequer-deficit-of-712-billion-recorded-in-2021-corporation-tax-receipts-at-similar-levels-to-vat-1312-billion-in-covid-related-expenditure-to-support-recovery-ministers-donohoe-mcgrath/>

### Societal Consultation

Public  
Consultation  
Score: 6

Tripartite social partnership, involving employers and employee representatives in both the public and private sectors, existed in Ireland from 1987 to 2010. In 2010, social partnership in the private sector became one of the first casualties of the country's economic crisis. Three public sector agreements on pay and working conditions were negotiated between 2010 and 2013. The cumulative effect of these measures has been significant changes in pay and working conditions in the public sector, and a marked increase in productivity. However, some trade unions, notably in the educational sector, have rejected these proposals and some significant problems remain unresolved.

During 2016, improved economic performance shifted the focus toward containing public expectations that tax and expenditure disciplines would be significantly relaxed. In 2016, these expectations led to a strike by Dublin's public tramway system workers and a threatened strike by the police force, which resulted in generous settlements. As a result of these settlements, the government would face the dilemma of trying to resist further demands for public sector pay increases.

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

In acknowledgment of efforts made during the deepest parts of the country's COVID-19 crisis, in 2021, the government announced a bonus of between €500 and €1,000 to be paid to frontline workers. At the time of writing, this bonus has yet to be paid and there remains a lack of clarity around exactly which groups of workers will be covered by the scheme.

Citation:

The latest public sector agreement is here:

<http://www.per.gov.ie/haddington-road-agreement>

### 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 creates a clear incentive to follow a closely coordinated communications strategy.

In some controversial policy areas, communication between ministries, as well as between ministries and the government has lacked coherence. Statements regarding healthcare and housing, to give two examples, continue to lack clarity and consistency, with inadequate coordination between the ministry and the government about what is planned and feasible in these areas.

The creation of Irish Water was characterized by a serious lack of transparency and coherence. The government's attempt to remove Irish Water from the general government sector and have it treated as a commercial state-owned body in the national income accounts was dismissed by a judgment from Eurostat in 2015: "Eurostat considers that Irish Water is a non-market entity controlled by government and should therefore be classified within the government sector." In 2017, domestic water charges payable to Irish Water were abolished and money already paid to Irish Water was repaid.

The government's communication with the public throughout the COVID-19 pandemic was widely perceived to have been successful and one of the reasons Ireland managed the crisis comparatively well (Colfer and O' Brennan, 2021).

Citation:

Colfer and O' Brennan (2021)

The complex details of the treatment of Irish Water in the national income accounts were discussed in an exchange of views between the Irish Central Statistics Office and Eurostat: see <http://www.cso.ie/en/surveysandmethodology/nationalaccounts/classificationdecisions/classificationofirishwater/>

## Implementation

Government  
Effectiveness  
Score: 6

One notable and growing trend is the increased use of statutory instruments which clearly empower ministers. It is often the case that a general policy is decided in the Oireachtas, but that the legislative body then delegates the detail and implementation to a minister. This provides the minister with considerable power to shape public policy. The average annual number of statutory instruments in the 1960s was 284; this rose steadily to 445 a year in the 1990s. Between 2010 and 2017, the average annual number rose to 772. In 2020, there were 32 acts of the Oireachtas signed into law and 760 statutory instruments. This trend plays some role in shifting policymaking power from the legislature to the executive.

In May 2016, the incoming minority government agreed to suspend water charges and establish an expert commission on the issue. This resulted in the publication of the Report on the Funding of Domestic Public Water Services in Ireland in November 2016. The report's two main recommendations were that there should be a constitutional provision for the public ownership of water utilities and that public water services should be funded through taxation. The report also recommended that excessive or wasteful use of water should be discouraged by charging for such use, consistent with the polluter pays principle. As above, at the time of writing, Irish Water plans to introduce household charges for excess water use in 2022, according to the Irish Water Charges Plan (IW, 2021)

Ireland's aging water and sewage system infrastructure necessitates significant future capital expenditure. While the abolition of domestic water charges reduced pressure on the government from angry members of the public, the government must find an estimated €13 billion for infrastructure improvements in the coming years.

Citation:

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

Irish Water (2021) Irish Water Charges Plan, Irish Water, 01 October, available at: <https://www.water.ie/about/our-customer-commitment/20210929-IW-Water-Charges-Plan-.pdf>

O'Malley, E. & Martin, S. (2018), 'The Government and the Taoiseach,' in John Coakley and Michael Gallagher (eds), *Politics in the Republic of Ireland*. 6th edition. London: Routledge and PSAI Press.

Ministerial  
Compliance  
Score: 8

The current coalition government represents a range of different agendas and priorities. The allocation of ministries between the parties has a significant influence on the overall coherence of government policy. The participation of

the Greens in government had an important impact on measures that are intended to address climate change in the government program, for example.

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

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

Ministers are not involved in the appointment or promotion of civil servants; at the higher levels of the civil service, appointment is now in the hands of the independent Top Level Appointments Commission. However, a 2014 conflict over the roles of the minister for justice and the commissioner of the Garda Síochána (the police force) led to the resignation of both men, and eventually the departure of the secretary-general of the Department of Justice.

Ministers select their own advisers and consultants and these exercise considerable influence. An increasing trend in recent years has been the appointment of leading journalists as ministerial advisers. For the most part, however, individual ministers do implement government policy. But over time there is a tendency for some to pursue increasingly idiosyncratic goals. The ultimate sanction can be exercised by the taoiseach, who can seek to increase ministerial compliance and government cohesiveness by reshuffling the cabinet.

Monitoring  
Ministries  
Score: 8

The annual budgetary process, and in particular the preparation of expenditure estimates, involves individual ministries submitting preliminary estimates to the Department of Finance. This is the opening of a battle for resources, as the department seeks to reconcile the sum of departmental claims with the total available for public spending. Whereas monitoring and oversight of most line ministry spending and policy implementation have been effective in recent years, the problem of large cost over-runs at the Ministry of Health and confusion about the medium-term strategy for public health are long-standing and unresolved issues. Notably, the Sláintecare strategy is an ongoing, incremental reform of the healthcare service in Ireland, which is designed to deliver equal access to healthcare services for every citizen based on patient need and not ability to pay (Gov, 2018).

Having corrected its excessive deficit in 2015 and 2016, Irish policymakers have since been constrained by the rules of the EU fiscal compact in framing

annual budgets. This has limited government flexibility with regard to tax cuts and expenditure increases. However, these constraints have been somewhat offset by revenue buoyancy, which has resulted from unexpectedly rapid economic growth in recent years, particularly associated with high tax receipts from multinational corporations that are present in the country. Freedom of information laws and the media have the potential to provide vital checks on ministerial overreach.

Gov (2018) Sláintecare, Government of Ireland, available at: <https://www.gov.ie/en/campaigns/slaintecare-implementation-strategy/>

Monitoring  
Agencies,  
Bureaucracies  
Score: 6

The number of government agencies has been steadily increasing. In 1950, there were around 130 agencies. By 2010, there were more than 350 agencies (see MacCarthaigh, 2012). In 2022, there are 213 agencies alongside 18 government departments (IPSC, 2022).

O'Malley and Martin (2018, 261) note that “the Irish experience had been criticised even before the economic crisis by the OECD, which noted that ‘in Ireland, the objectives of agentification are unclear, mixed and not prioritized,’ resulting in sub-optimal governance structures” (OECD, 2008: 298).

The Health Services Executive (HSE) is the government agency responsible for providing public healthcare. It is the largest semi-autonomous bureaucracy in the country. It was formed by the amalgamation of local health boards in 2005, when the current taoiseach, Michael Martin, was minister for health. It remains difficult to identify the savings that were promised due to this rationalization. On the other hand, cost over-runs and low delivery standards have been a persistent feature of the agency. In 2022, the minister of health is expected to propose the reintroduction of regional health areas, which had been abolished following the establishment of the HSE.

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

The Office of the Comptroller and Auditor General (OCAG) is responsible for auditing and reporting on the accounts of all public bodies, ensuring that funds are applied for the purposes intended, and evaluating the effectiveness of operations. The OCAG does not regularly monitor all executive agencies. It seems to select those where it knows or suspects that problems have arisen. Its mission statement says it “selects issues for examination which are important in the context of the management of public funds.” Its reports contain details of overspending and inefficiencies, and make recommendations for improving financial administration within the public sector.

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

Citation:

IPSC (2022) Government Agencies and Useful Links, available at: <http://www.pointofsinglecontact.ie/browse-by-sector/government-agencies/#:~:text=There%20are%20currently%2018%20Government%20Departments%20%2D%20linked%20below.>

OCAG reports on the accounts of the public services are available here: <http://www.audgen.gov.ie/viewdoc.asp?fn=/documents/annualreports/2013/Report/En/ReportIndex.htm><sup>[1]</sup>  
<https://www.audit.gov.ie/en/about-us/our%20work/reports/>

A list of special reports on value for money in the public sector is available here: <http://audgen.gov.ie/viewdoc.asp?DocID=-1&CatID=5&UserLang=EN&m=13>

Task Funding  
Score: 6

To take one example, a primary motivation for the creation of Irish Water in 2013 was the removal of responsibility for the provision of water services from local governments, many of which had failed to provide a reliable supply of high-quality water services to their populations and had seriously under-invested in water infrastructure over the years, perhaps largely due to inadequate funding from central government. Due to strong populist reaction, the funding mechanism for Irish Water, namely the imposition of household water charges, was strongly resisted. As a result, this funding mechanism was abolished and household water charges were repaid in 2017. The water initiative paralleled the 2005 decision to remove the provision of public-health services from regional health boards, centralizing this power instead in the Health Services Executive (HSE). As we have seen, this has not resulted in a smoothly functioning healthcare delivery system.

The functions and services that remain the responsibility of subnational units of government are funded both by central government and from local resources. In 2020, 36% of local government funding came from central government, 30% from commercial rates, 27% came from “goods and services” (e.g., from housing rents, waste charges, parking charges and planning applications), and 7% from local property tax rates (Gov, 2020).

While the introduction of the local property tax raised the proportion of funds coming from local sources, subnational units of government remain heavily dependent on central government for resources. This dependence is proportionately greater in the case of smaller and poorer local units.



In 2015, 80% of receipts from the local property tax (LPT), which was introduced in 2013, were to be retained locally to fund vital public services, while the remaining 20% were to be redistributed to provide top-up funding to certain local authorities that have lower property-tax bases due to variance in property values. The Local Property Tax Exchequer Receipts for 2021 amounted to €359.3 million. Local authorities can vary the basic LPT rate on residential properties in their area by up to 15% via what is known as the local adjustment factor (CI, 2021). In practice, most local councils have opted to decrease rather than increase local rates of LPT, which has led to continuing problems in funding local government.

Citation:

CI (2021) Local Property Tax, Citizens Information, available at: [https://www.citizensinformation.ie/en/money\\_and\\_tax/tax/housing\\_taxes\\_and\\_reliefs/local\\_property\\_tax.html](https://www.citizensinformation.ie/en/money_and_tax/tax/housing_taxes_and_reliefs/local_property_tax.html)

Gov (2020) Local Authority Budgets 2020, Prepared by the Department of Housing, Planning and Local Government, available at: <https://assets.gov.ie/111383/5d1f6426-1e13-46ad-bb92-da5a71b827a3.pdf>

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/local-property-tax/index.aspx>

Constitutional  
Discretion  
Score: 5

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

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

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

While the Local Government Reform Act 2014 introduced some important changes in the structure of local government (merging three pairs of city/county councils and replacing town councils with municipal districts), it did not radically alter the structure or functions of local government. The act also replaced the existing regional authorities with three new Regional

Assemblies that are tasked with preparing Regional Spatial and Economic Strategies by 2016. Local Community Development Committees have also been established. It remains to be seen if these developments will significantly increase subnational implementation autonomy. John Coakley describes the 2014 act as “the ultimate stage in the centralization of the Irish local government system” (2018, p21).

Citation:  
Coakley, J. (2018), ‘The foundations of statehood,’ in in John Coakley and Michael Gallagher (eds), Politics in the Republic of Ireland. 6th edition. London: Routledge and PSAI Press.

National Standards  
Score: 7

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

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

The Environmental Protection Agency (EPA) plays a key role in enforcing standards across the country. The Office of Environmental Enforcement supervises the environmental protection activities of local authorities by auditing their performance, providing advice and guidance, and in some cases giving binding directions. The EPA 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. In 2022, the deficiencies in social housing and the need to address the shortcomings in the country’s housing supply remains extremely prominent in national public discourse.

Effective Regulatory Enforcement  
Score: 8

Government agencies do attempt to enforce regulations effectively and without bias. This was borne out in October 2018, when Denis Naughten, then minister of communications, was asked to resign for having met a stakeholder of a company that was bidding for the National Broadband Plan contract.

There has been significant growth in political lobbying in Ireland. In general, lobbyists claim that they are simply providing advice about how the policymaking process works, but – given that many lobby firms hire ex-ministers, members of parliament and some journalists – transparency advocates believe it is important to have a statutory register of lobbying to

guard against corruption. The Regulation of Lobbying Act was passed in 2015. The act provides for an extensive web-based register for lobbying. In its first year of operation 1,100 people registered and there were also almost 1,500 returns by lobbyists. The database is searchable and provides a lot of information on who the lobbyist was, whom they lobbied, what was the content of their lobbying and what the intended outcome of their lobbying was. “All this is radically new in the Irish context. The lobbying register clearly provides citizens with far more information on the lobbying process than ever before – an important step in the promotion of open and transparent policymaking” (Murphy 2018, 290).

The Office of Lobbying Regulation was also set up (within the Standards of Public Office Commission). Its job is to ensure that the Lobbying Act is enforced. It is independent of government, industry and the other sectional interests.

Citation:

Murphy, G. (2018) ‘The Policymaking Process,’ in John Coakley and Michael Gallagher (eds) *Politics in the Republic of Ireland*.

### **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 almost 50 years since Ireland became a member of the European Economic Community in 1973, the country has adapted institutions at all levels of government to allow the country to function effectively within the European Union. The Europeanization of both institutions and the policymaking process has changed the country profoundly. Having successfully implemented the 2010 bailout agreement with the Troika, Ireland has remained committed to adhering to the EU rules of economic governance contained in the Treaty on Stability, Coordination and Governance and the fiscal procedures contained in the European Semester. The unexpectedly strong economic performance since 2013 has greatly facilitated compliance with these obligations. Throughout the COVID-19 pandemic, Ireland has walked in step with its EU peers when introducing emergency measures, and limiting economic and social activity. Ireland participated fully in the European Union’s vaccine strategy with the rest of the European Union, and data and information from the European Centre for Disease Prevention and Control (ECDC) has featured prominently in public discourse and in policymaking.

Citation:

For a discussion of the framework of Ireland’s economic governance see Tutty, M. (2014) *Reforming European Economic Governance*, IIEA papers, available at: <https://historyiiea.com/product/reforming-european-economic-governance/>

International  
Coordination  
Score: 7

The country contributes to international efforts to foster the provision of global public goods primarily through its active participation in European policymaking institutions. Irish government structures have been progressively altered to support this capacity. In 2020, Ireland secured a seat on the U.N. Security Council for the 2021–2022 term.

In this role, Ireland has sought to assume leadership roles in relation to women, peace and security, climate and security, Iran and the Joint Comprehensive Plan of Action (JCPOA), Somalia, among other areas. These roles reflect Ireland’s existing foreign policy priorities and strengths (DFA, 2021).

Ireland has continued to maintain a relatively high level of overseas development assistance since the onset of the economic crisis more than a decade ago (0.42% of GNI in 2021). It also continues to play an active part in the development of the European response to climate change. The Irish and Kenyan ambassadors co-facilitated the final intergovernmental negotiations that led to the adoption of the United Nation’s Global Goals (Sustainable Development Goals) in 2015, for example, and the Irish government participated fully in the COP26 U.N. Climate Change Conference in Glasgow in October–November 2021 (see “Global Environmental Policy”).

Citation:

DFA (2021) Ireland’s Priorities for the UN Security Council, 2021-2022, Department of Foreign Affairs, 22 January, available at: <https://www.dfa.ie/news-and-media/speeches/speeches-archive/2021/january/irelands-priorities-for-the-un-security-council-2021-2022.php>

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

### Organizational Reform

Self-monitoring  
Score: 7

The present government has a mandate for institutional reform and has made some progress in implementing its program. Specific examples have been discussed in relation to other SGI criteria.

Institutional  
Reform  
Score: 7

Radical change was called for in the wake of the dramatic policy and governance failures that contributed to the severity of the post-2008 economic and social crisis. However, the specific reforms implemented have been relatively limited. Nonetheless, some improvements in strategic capacity introduced during the period of the Troika agreement have been retained. Reform of the legal system was strongly recommended by the Troika, but little has happened in this sphere in the decade or more since.

Institutional arrangements for supervising and regulating the financial-services sector have been overhauled to address shortcomings that contributed to the crisis. The Department of Finance has been restructured and strengthened, a Fiscal Advisory Council was established, and a parliamentary inquiry into the banking crisis was established in 2014 and reported in early 2016.

Since 2016, following a recommendation from the Constitutional Convention, members of Dáil Éireann elected the ceann comhairle (speaker of the house) directly by secret ballot for the first time. All parliamentary committees have been established and committee chairs appointed using the D'Hondt system. Under the system, four of the 13 current core Oireachtas committees are chaired by opposition members (Eolas, 2020).

## II. Executive Accountability

### Citizens' Participatory Competence

Political  
Knowledge  
Score: 9

In the 2016 general election, electoral turnout dropped to 65.2% from 70.1% in the previous election in 2011. This fall in turnout came after economic recovery and strong rates of economic growth. In 2020, turnout declined again to 62.9% (down 2.2%) despite the election being held on a Saturday for the first time since 1918.

The proportion of Irish respondents claiming to have heard of various European institutions is consistently higher than the EU average, in part explaining why Irish support for the European Union remains among the highest in the European Union. Brexit reinforced existing trends in this regard. The level of personal familiarity with elected politicians is very high – it has been claimed that a majority of the electorate have actually been canvassed by at least one person seeking election to the national parliament. In addition, the quality of debate on policy issues is high, and media coverage of politics impartial and generally very fair.

Open  
Government  
Score: 7

The government – through governmental departments and institutions such as the Central Statistics Office (CSO), and the Auditor and Controller General – publishes data and information in a comprehensive, timely and user-friendly way. Freedom of information helps this openness, but has sometimes been criticized by journalists in recent years because of allegedly extensive redaction by ministries and state bodies.

### 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 both houses. Resources are considered inadequate, relative to peer jurisdictions in the European Union (e.g., Denmark, Finland and Sweden).

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

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

Citation:

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

<http://www.oireachtas.ie/parliament/media/housesoftheoireachtas/libraryresearch/others/LRSStatementofServicesapprovedbyCommission2012.pdf>

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

Obtaining  
Documents  
Score: 7

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

While parliamentary committees were once weak, they have been getting stronger since the 1980s. One comparative ranking of the strength of committee systems in 39 advanced industrial democracies placed Ireland mid-table (Martin 2010).

## Citation:

The Committee of Inquiry into the Banking Crisis Final Report January, 2016. The scope and structure of the Banking Inquiry are set out here: <http://www.oireachtas.ie/parliament/media/Relevant-Proposal-to-the-Committees-on-Procedure-and-Privileges-of-Dáil-Eireann-and-Seanad-Eireann.pdf>

Martin, S. 'The Committee System,' in Muiris MacCarthaigh and Maurice Manning (eds, 2010) *The Houses of the Oireachtas*. Dublin: IPA.

Summoning  
Ministers  
Score: 8

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

Cabinet ministers regularly attend committees and assist them with their work. Oireachtas (parliamentary) committees play an increasingly important role in parliamentary business. They can receive submissions and hear evidence from interested groups, discuss and draft legislative proposals, publish minutes of evidence and related documents, and demand the attendance of government ministers.

For a discussion of how a constitutional provision for cabinet confidentiality might impinge on the work of the Banking Inquiry, see the July 2014 post by Dr. Conor O'Mahony on the Constitution Project @ UCC website: "Cabinet Confidentiality and the Banking Inquiry" <http://constitutionproject.ie/?p=342> However, the committee's work was not unduly hampered by these considerations. For the Supreme Court judgment on the powers of Oireachtas Inquiries see: [https://www.google.ie/search?q=abbeylara+case&oq=abbeylara+case&aqs=chrome..69i57.8950j1j7&sourceid=chrome&es\\_sm=122&ie=UTF-8](https://www.google.ie/search?q=abbeylara+case&oq=abbeylara+case&aqs=chrome..69i57.8950j1j7&sourceid=chrome&es_sm=122&ie=UTF-8)

Summoning  
Experts  
Score: 10

There are no restrictions on summoning expert witnesses to their meetings. As above (see "Strategic Planning"), the government has in general relied heavily on experts over the course of the COVID-19 pandemic to inform policymaking and to justify decisions (Colfer, 2021).

## Citation:

Colfer, B. (2020) Herd-immunity across intangible borders: Public policy responses to COVID-19 in Ireland and the UK, *European Policy Analysis*, 06(02) pp 203-225, <https://doi.org/10.1002/epa2.1096>;

Task Area  
Congruence  
Score: 6

There is a considerable amount of variance in both the number and task congruence of committees across parliaments.

There are 33 regular committees serving the current Dáil. Of these, 13 can be seen as "core" committees, namely those focusing on agriculture and marine issues; children, disability, equality and integration; education; enterprise,

trade and employment; finance; foreign affairs; healthcare; housing, local government and heritage; justice; media, tourism, arts, culture, sport and the gaeltacht; transport; the implementation of the Good Friday Agreement; and the public accounts. Committees shadow the main line ministries for the most part. In addition, there are also other types of committees, such as special committees (i.e., temporary, subject-specific committees rather than standing committees). These have included special committees on the COVID-19 response, the future funding of water resources, the future of healthcare, and housing and homelessness. In July 2016, as part of the process of reforming the Dáil, a new standing committee was established, the Committee on Budgetary Oversight, to help parliament monitor the government's economic and financial policy decisions. The current committee has 15 members representing all parliamentary parties. No member of the committee can be a government minister (Oir, 2022).

## Media

Media Reporting  
Score: 9

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

The largest TV and radio stations in Ireland are operated by Raidió Teilifís Éireann (RTÉ), a state-owned public-service broadcaster financed by revenue from the mandatory TV license, as well as by advertising. Since 1988, RTÉ has faced competition from privately owned radio and television stations. RTÉ devotes a significant proportion of TV and radio airtime 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 the discussion of current affairs, as well as outlets for opinions and grievances. These programs elicit reactions and responses from politicians. The two largest-circulation daily newspapers provide ample information on and analysis of government decisions.

The Press Council of Ireland provides an independent forum for resolving complaints about the press. In 2012, the United Kingdom's Leveson inquiry mentioned the Irish Press Council as a model.



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

The Future of Media Commission was set up by the government in September 2020 to examine the future of Ireland's public service broadcasters, commercial broadcasters, and print and online media platforms. The commission is independent of the government and has nine members, who have been selected due to their expertise and experience in the media. Some of the major challenges identified by the commission include the need for sustainable funding models, changes in audience behavior and changes in technology. The commission produced a report with recommendations for the government in 2021 (FMC, 2020). At the time of writing, the commission's report has yet to be formally shared with the Oireachtas media committee, the BAI, or the industry organizations that participated in the commission's consultation process or virtual hearings (Slattery, 2022).

Citation:

FMC (2020) About the Commission, The Future of the Media Commission, available at: <https://futureofmediacommission.ie/>

Slattery, L. (2022) Delay in publishing Future of Media Commission report branded 'bloody disgrace', The Irish Times, 23 March, available at: <https://www.irishtimes.com/business/media-and-marketing/delay-in-publishing-future-of-media-commission-report-branded-bloody-disgrace-1.4834397>

## Parties and Interest Associations

Intra-party  
Decision-Making  
Score: 5

The taoiseach 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 2020 general election, the vote shares received by the parties were Sinn Féin 24.5%, Fianna Fáil 22.2%, Fine Gael 20.9%, the Greens 7.1%, the Labour Party 4.4%, the Social Democrats 2.9%, People Before Profit 2.6%, and Aontú 1.9%. Meanwhile, independent candidates won around 13.5% of the votes.

Specific party procedures for selecting party leaders and presidential candidates are detailed below. However, all the main parties now use a one member one voting system, meaning that each party member can vote once for the party candidate in their constituency. As such, party members are important gatekeepers to the selection of parliamentary candidates. While most

candidates are selected locally, they need to be approved by the party's national executive, which reserves the right to veto any local choice or to add a new name to the ticket. Empirically, the national parties are more likely to add a name to the ticket than to veto someone selected locally. For example, for the 2016 general election, 15 of Fine Gael's 89 candidates and 16 of Fianna Fáil's 71 candidates were added to the ticket by the respective party's national constituency committees (see Reidy 2016). The introduction of gender quotas, which threatens political parties with losing half of their state funding if the proportion of male or female nominated candidates falls below 30%, appears to have further strengthened the hands of the national party. Ready (2016, 71) states: "the requirement for parties to meet specific gender targets facilitated the party center exerting even more control over selection processes than at previous elections." In 2020, of the 516 candidates running for 159 seats in 39 constituencies in the general election, 160 or 31% were women (Carswell & O'Halloran, 2020).

#### Fine Gael:

The party leader is selected by an electoral college comprising the Fine Gael Parliamentary Party (weighting 65%), ordinary Fine Gael members (weighting 25%) and Fine Gael local representatives (city and county councilors, and members of *Údarás na Gaeltachta*, weighting 10%). On 2 June 2017, Leo Varadkar beat Simon Coveney to become the new leader of Fine Gael. He was appointed taoiseach by President Higgins following a vote in *Dáil Éireann* on 14 June 2017.

#### Fianna Fáil:

The party has a pyramidal structure based on the local branches (*cumann*). There are approximately 3,000 of these across the country. The party leader is elected by an electoral college comprising ordinary members (weighting 45%), parliamentary deputies (weighting 40%) and other elected representatives (weighting 15%). Before the establishment of this electoral college, Micheal Martin was elected as leader of Fianna Fáil on 26 January 2011, in an election in which only members of parliament who were members of the Fianna Fáil party were eligible to vote.

#### Sinn Féin:

In February 2018, Mary Lou McDonald, after a special party conference in Dublin (*Ard Fheis*), succeeded Gerry Adams as leader of Sinn Féin. Since the party entered politics in 1986, no vote of confidence in the party leader has been tabled. The *Ard Fheis* (National Delegate Conference) is Sinn Féin's ultimate policymaking body, where delegates – directly elected by members of local branches (*cumann*) – vote on and adopt policies.

In autumn 2018, Michael D. Higgins, the president of Ireland, was re-elected by a considerable majority, obtaining a record 822,566 first-preference votes, to serve for a second seven-year term.

Citation:

Theresa Reidy (2016), 'Candidate Selection and the Illusion of Grass Roots Democracy,' in Michael Gallagher and Michael Marsh (eds) *How Ireland Voted 2016*. Palgrave.

Association  
Competence  
(Employers &  
Unions)  
Score: 7

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

Citation:

The number of independent commentaries and online policy forums has grown in recent years, see  
<http://www.publicpolicy.ie/>  
<http://www.irisheconomy.ie/>  
<http://www.nerinstitute.net/>  
<http://politicalreform.ie/>  
<http://www.politics.ie/>

Association  
Competence  
(Others)  
Score: 7

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

Citation:

For Social Justice Ireland, see  
<http://www.socialjustice.ie>

### Independent Supervisory Bodies

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: 8

The Office of the Ombudsman investigates complaints about the administrative actions of government departments, the Health Services Executive (HSE) and local authorities. Ireland largely follows the Scandinavian ombudsman model. The ombudsman acts in the public interest as part of an overall system of checks and balances, as representing and protecting the people from any excess or unfairness on the part of government. The ombudsman reports to parliament at least twice a year.

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

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

Data Protection  
Authority  
Score: 9

The Irish Data Protection Act 2018 was signed into law on 24 May 2018 to coincide with the implementation of the General Data Protection Regulation (GDPR) on the following day, 25 May 2018. The GDPR replaced the existing data protection framework defined under the EU Data Protection Directive. The GDPR emphasizes transparency, security and accountability by data controllers and processors, while also standardizing and strengthening the right of European citizens to data privacy. In Ireland, the Data Protection Commission has been established to ensure the enforcement of the GDPR.

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