

**SYSTEM OF GOVERNMENT: Parliamentary**

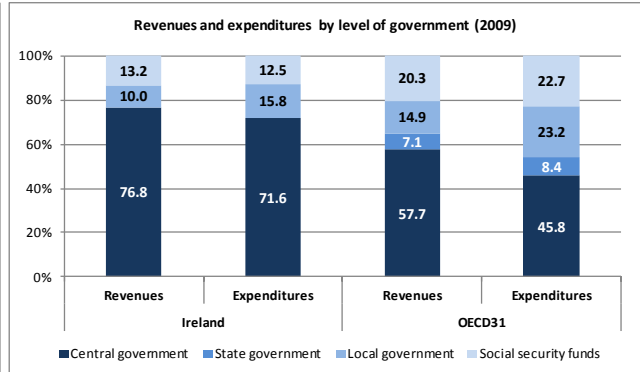
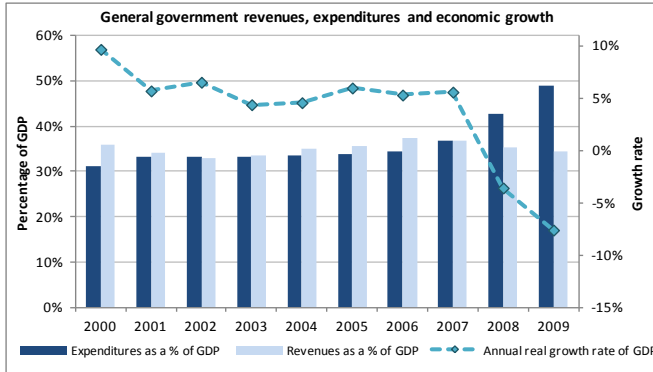
- No. of ministries: 15 (2010)
- No. of governments over last 20 years: 8
- No. of coalitions over last 20 years: 8

**STATE STRUCTURE: Unitary**

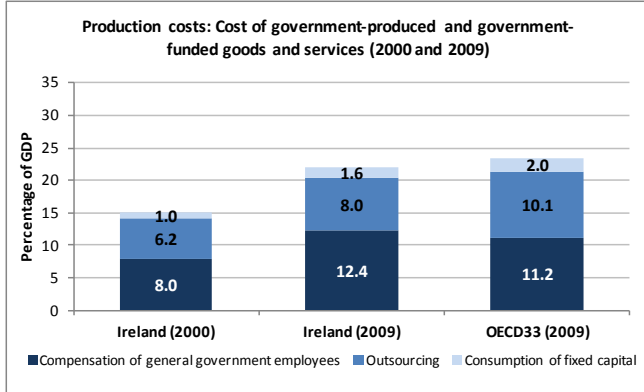
**LEGISLATURE: Bicameral**

- Upper house: Not elected
- Lower house: elected using Proportional Representation

Ireland had run consistent budget surpluses in the years prior to 2007, with expenditures around 33% of GDP and revenues above 35% of GDP. However, the fiscal balance rapidly deteriorated to a deficit of over 14% of GDP in 2009, which widened to over 32% in 2010. Ireland is one of the most centralised OECD countries. The central government collects over 75% of revenues and accounts for over 70% of all expenditures. Local governments are financially dependent on the central government, receiving a large portion of their resources as grants.

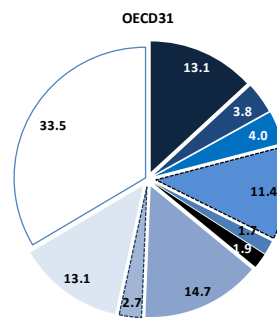
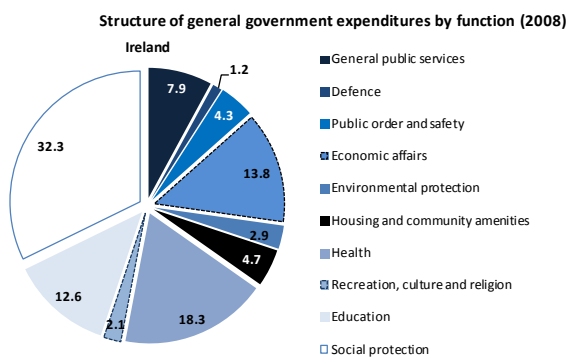


Source: OECD National Accounts and Economic Outlook 89. [Revenues] [Expenditures] [Revenues by level of government] [Expenditures by level of government]



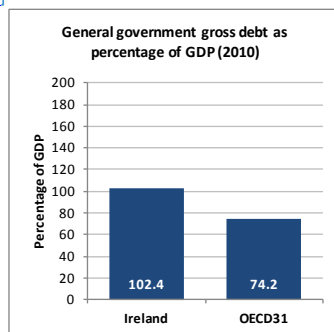
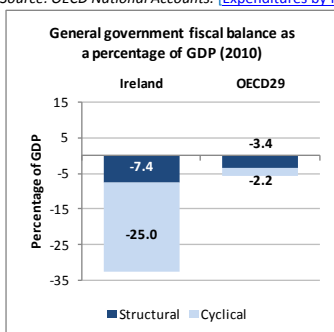
Source: OECD National Accounts. [Production costs]

Almost 22% of the Irish economy was devoted to producing public goods and services in 2009. Production costs as a share of GDP increased from 2000 to 2009, at least in part because of the fall in GDP since 2007. Compensation of government employees represents a larger share of total production costs in Ireland compared with the OECD average (56.4% of total costs compared with 48.1% of total costs), and Ireland relies comparatively less on outsourcing. Pay reductions currently being implemented will likely reduce compensation costs in the future.



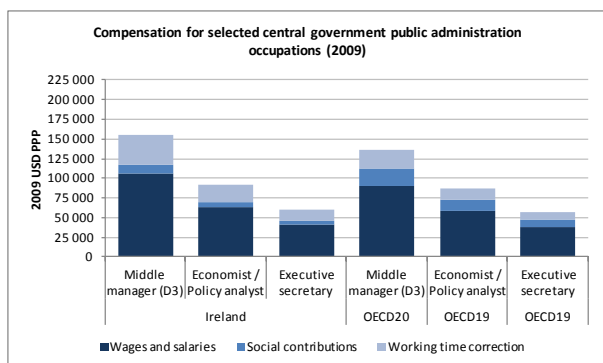
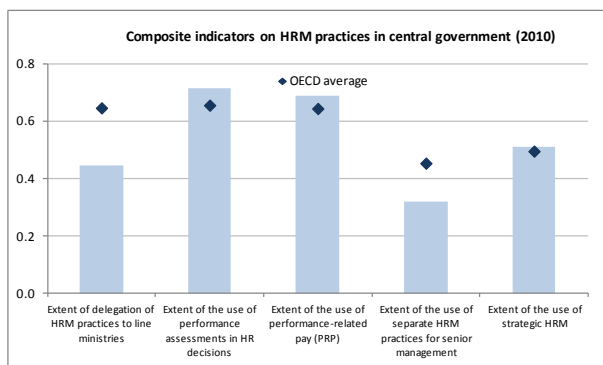
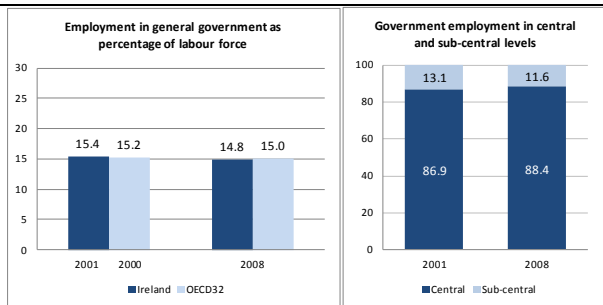
Source: OECD National Accounts. [Expenditures by function]

In 2008, the Irish government devoted a higher share of resources to economic affairs, health, and housing and community amenities than the average OECD country. While Ireland devotes a much smaller share of resources to general public services than most other OECD countries (7.9% compared with 13.1%), this share will likely increase in the coming years as interest payments on debt rise. Likewise, spending on economic affairs will also increase in 2009 relative to 2008 due to the aid provided by the government to the banking sector.



The Irish government operated at a deficit of over 32% of GDP in 2010, most of which was cyclical in nature. Gross debt has grown significantly as a result of the crisis, from 28.9% of GDP in 2007 to over 100% of GDP in 2010 (OECD definitions differ from Maastricht criteria which place gross debt at 96.2% in 2010). To restore growth and contain the increase in debt, the government has embarked on a large fiscal consolidation effort comprised of significant expenditure reductions (including cuts to wages in the public sector, unemployment and welfare benefits, and capital budgets) and revenue enhancements (increasing the VAT and reducing the minimum income tax threshold).

Source: OECD Economic Outlook 89. OECD average refers to the unweighted average. There are differences between the OECD and the Department of Finance in the estimated decomposition of the cyclical and structural components of the budget balance. This is largely driven by alternative methods of deriving the output gap, which are particularly difficult to estimate for small open economies such as Ireland. [Fiscal balance] [Debt]



Working time correction brings countries to the same basis of comparison in terms of annual working hours (accounting for weekly working hours and holidays).

### Transparency in public procurement, 2010

	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	Yes	No	Yes	No	97%
Selection & evaluation criteria	Yes	No	No	No	97%
Tender documents	Yes	No	No	No	82%
Contract award	Yes	No	No	No	100%
Justification for award	Yes	No	No	No	59%
Tracking procurement spending	No	No	No	No	32%

Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".

At 14.8%, public employment as a share of the labour force in Ireland was just under the OECD average (15%) in 2008. This is a slight reduction from 2001, when it was 15.4%, and is well within the overall OECD range, which runs from 6.7% to 29.3%. Ireland also plans to further reduce government employment in the period to 2015, in accordance with the new government's Programme for Government. Public employment is quite centralised, with over 88% of staff employed at the central government level in 2008.

Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)

The HRM system in the Irish central government is relatively centralised, with a rather low level of delegation of HRM practices to line departments and managers. In general, pay levels, the terms and conditions of employment, and overall staffing levels are set centrally. Only performance assessment is delegated to line departments and managers, while the management of variable pay is a shared responsibility between the centre and the line departments. Performance assessments are applied extensively and linked to career advancement. The use of performance-related pay was limited to senior managers; these schemes were suspended in 2009. Ireland has little differentiation between the HRM practices for the senior management group and other staff; there is no formal executive civil service. Ireland lacks a general accountability framework for senior and middle managers but HRM performance is incorporated into their evaluation. Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)

Middle managers, economists/policy analysts and executive secretaries in the Irish public service receive total compensation that is quite close to the OECD average. However, the breakdown of this compensation differs slightly; social contributions count for a mere 7% of total compensation, compared to an average of 16%. Middle managers earn 1.7 times more than economists/policy analysts and 2.6 times more than executive secretaries (compared to the OECD average of 1.6 times more and 2.4 times more, respectively). Administrative civil servants in the Irish central government are required to work 34.75 hours per week and work on average 225 days per year. Total working time is at the lower end of the OECD range.

Source: OECD 2010 Compensation Survey. [\[Middle managers\]](#) [\[Economist/Policy Analyst\]](#) [\[Executive Secretary\]](#)

Achieving greater transparency in public procurement is important, especially given that the Irish Government spent an estimated 13% of GDP on public procurement in 2008.

Like the majority of OECD countries, Ireland publishes most public procurement information on its central procurement website: [www.etenders.gov.ie](http://www.etenders.gov.ie). Additionally, some information is published on other websites. For example, general information for potential bidders is also published on its domestic printed/electronic journal (e.g. special bulletin) and procurement plans can be found in the contracting entity website.

Currently, Ireland is one of the countries that publishes information on justifications for awarding a contract to a selected contractor as is done by 59% of OECD member countries. Ireland does not allow tracking public procurement spending on line as is done by 32% of OECD countries. However, users can track outcomes of the contracting process by registering to receive award notices.

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

**REGULATORY GOVERNANCE**
**Regulatory governance mechanisms, 2008**

Functions of the oversight body	Year	Percentage of OECD countries responding "yes"	IRELAND
Consulted as part of process of developing new regulation	2005	73%	Yes
	2008	82%	Yes
Reports on progress made on reform by individual ministries	2005	43%	No
	2008	56%	No
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	43%	Yes
	2008	50%	Yes
Conducts its own regulatory impact analysis	2005	43%	Yes
	2008	47%	Yes
<b>Anticipating compliance and enforcement</b>			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	57%	Yes
	2008	70%	Yes
Guidance for regulators on compliance and enforcement	2005	37%	Yes
	2008	47%	Yes
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	30%	No

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

The Irish government has developed an institutional structure for regulatory management. It has set up a central unit for the promotion of regulatory quality across ministerial departments, located at the centre of government.

The Better Regulation Unit (BRU), a small unit in the Department of the Taoiseach (Prime Minister's Office), has overall responsibility for supervising the roll-out of regulatory policy, including direct responsibility for the implementation of regulatory impact assessment (RIA). In practice the BRU promotes regulatory quality through the provision of guidelines, training, monitoring and advocacy. It examines the RIAs prepared by departments, but has no formal power to block a draft that is accompanied by a poorly developed RIA. Other key players in regulatory management are the Office of the Attorney General (in charge of drafting legislation and of the statute law revision) and the Department of Trade, Enterprise and Innovation (in charge of the administrative burden reduction programme on business).

With respect to compliance and enforcement, a large number of enforcement entities develop initiatives to enhance efficiency but there is no explicit risk-based policy on enforcement. However, risk-based enforcement is making headway in some areas and as a principle to be considered when regulations are addressed.

Source: OECD 2008 Survey on Regulatory Management; OECD (2010), *Better Regulation in Europe – Ireland*, OECD Publishing, Paris.  
[\[Oversight bodies\]](#) [\[Compliance and enforcement\]](#)

**OPEN GOVERNMENT**
**Disclosure of public sector information, 2010**

Types of information disclosed	Proactive disclosure		
	Ireland	OECD32	Publication channels
Budget documents	○	94%	Not published
Audit reports	○	72%	Not published
List of public servants and their salaries	○	28%	Not published
<b>Sharing of administrative data</b>			
Administrative data sets	○	66%	Not published
Requirements on publishing in open data formats	Yes	53%	–
<ul style="list-style-type: none"> <li>● Required to be proactively published by FOI laws</li> <li>⊙ Not required by FOI laws, but routinely proactively published</li> <li>○ Neither required nor routinely published</li> </ul> <p>CP= central portal; MA= ministry or agency website; OW=other website            OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.</p>			

Ireland's Freedom of Information legislation (e.g. Freedom of Information and Data Protection Acts) does not require the Irish government to routinely publish budget documents, audit reports or administrative data sets. However, the government does have in place requirements on publishing information in open data formats. Lists of public servants and their salaries are not published, which is the case in only 28% of OECD countries. However, salary scales are published and can be linked to any person in a particular grade. Likewise, members of the public can request information on the salary of a particular post/individual. Further information about Irish FOI legislation is available online at: [www.FOI.gov.ie](http://www.FOI.gov.ie).

Source: OECD 2010 Survey on Access to Information. [\[Disclosure of information\]](#) [\[Publication channels\]](#)

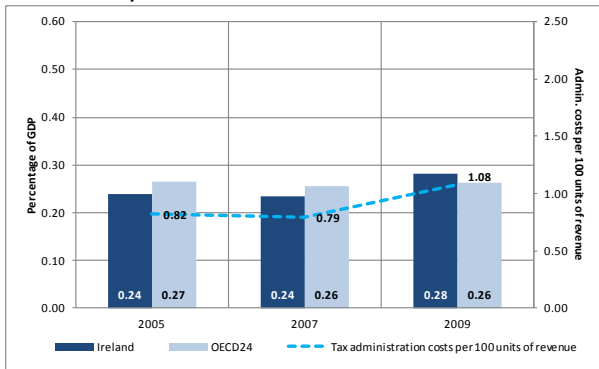
**E-GOVERNMENT**
**E-Government building blocks and e-procurement, 2010**

e-enabling laws and policies	Ireland	OECD25
Recognition & use of digital signature	..	100%
Electronic filing within the public sector	..	88%
Administering PPPs for e-government projects	..	64%
<b>Services offered on single-entry procurement website</b>		
Tender searches	●	62%
Tracking of outcomes of contracts	○	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

Similar to most OECD countries with a single-entry procurement website, Ireland allows businesses to perform tender searches. This facilitates more equal access to procurement opportunities and improves transparency in the procurement process. However, Ireland's single-entry procurement site does not allow users to track outcomes of contracts. No data are available for Ireland regarding e-government laws and policies. However, the Department of Finance is responsible for eGovernment policy, which it sets out in the *eGovernment Strategy 2010 and Department of Finance Circular 06/09*. Ireland has considerably increased in the European Commission's rankings on the availability and sophistication of online services (from 17<sup>th</sup> in 2007 to 1<sup>st</sup> in 2011).

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [\[E-enabling laws\]](#) [\[E-procurement\]](#)

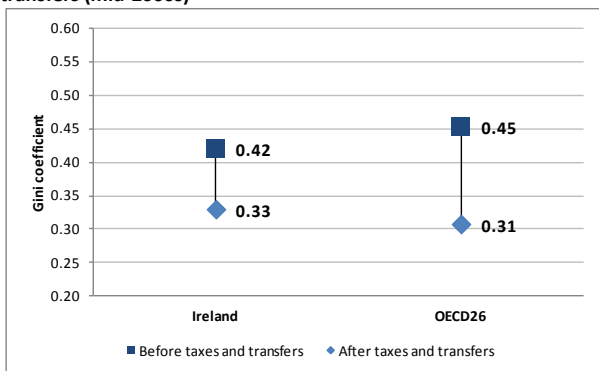
### Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Ireland, the administration costs of collecting 100 units of revenue have increased, most notably from 2007 to 2009. Total revenue body expenditure as a percentage of GDP has remained relatively stable during this period suggesting the change in this ratio could be partly explained by macroeconomic conditions such as a marked drop in revenues and GDP following the crisis.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

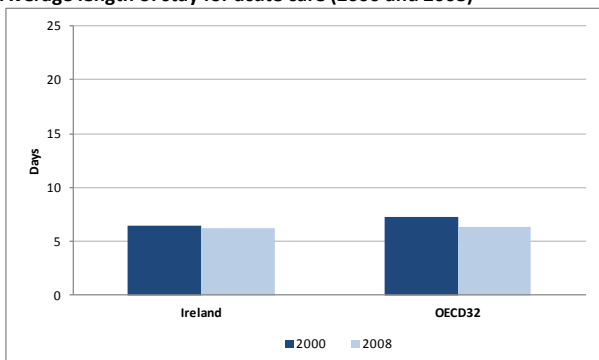
### Differences in income inequality pre- and post-tax and government transfers (mid-2000s)



One method of evaluating the effect of government tax and transfer policies on income inequality is by assessing a country's Gini coefficient before and after taxes and transfers. The effect of government redistributive policies on income inequality is considerably lower in Ireland than the OECD average. Ireland achieved a 0.09 point reduction in the Gini coefficient following its tax and transfer policies, compared to 0.14 point reduction as an average in OECD countries. Furthermore, Ireland's income inequality coefficient exceeds that of the average.

Source: OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, OECD Publishing, Paris. [\[Differences in inequality\]](#)

### Average length of stay for acute care (2000 and 2008)



The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. In Ireland, the ALOS decreased from 6.4 days in 2000 to 6.2 days in 2007. This decrease is lower than that of the OECD average, where the reduction was about one day over the same period. Over time, reductions in the ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilising less invasive procedures, and/or improving pre-admission assessment, all of which can help reduce costs.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

**Production costs** are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, outsourcing (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

**Structure of government expenditures:** Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2011*.

**“Gross general government debt”** refers to general government gross financial liabilities that require payments of principal and interest. For the European Union countries, gross public debt according to the Maastricht criteria is not presented here (see Annex Table 62 of OECD Economic Outlook No. 89). These data are not always comparable across countries due to different definitions or treatment of debt components. Gross debt is used rather than net debt due to the difficulties in making cross-country comparisons of the value of government-held assets, and because it is more relevant in the context of debt interest payments.

**HRM Composites:** The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available in Annex E at: [www.oecd.org/gov/indicators/govata glance](http://www.oecd.org/gov/indicators/govata glance).

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay (PRP) index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

**Compensation data:** Total compensation includes wages and salaries and employers’ social contributions (those to statutory social security schemes or privately funded social insurance schemes, as well as unfunded employee social benefits paid by the employer, including pension payments paid through the state budget rather than through employer social contributions (mostly for some pay-as-you-go systems)). In most cases data are for six central government ministries/departments only (interior, finance, justice, education, health and environment or their equivalents). Working time adjustment compensates for differences in time worked (both weekly working time and holidays). Compensation was converted to US dollars using purchasing power parities (PPPs) for GDP from the OECD National Accounts database. Differences in compensation policies can be the result of different bargaining powers; the state of the labour market (such as compensation in the private sector for similar positions); specific labour shortages; and the attractiveness of the government as an employer. While the survey uses the International Standard Classification of Occupations (ISCO) to standardise job categories, full comparability of responsibilities behind the occupational titles across countries presents difficulties in some cases. Annex D in *Government at a Glance 2011* fully details all limitations to data comparability, including those related to the measurement of employer’s social contributions (which were based on sources outside the survey for a number of countries, leading to potential inconsistencies).

**Regulatory governance:** The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

**Tax efficiency:** Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

**Differences in income inequality pre- and post-tax and government transfers:** The values of the Gini coefficient range between 0 in the case of “perfect equality” (*i.e.* each share of the population gets the same share of income) and 1 in the case of “perfect inequality” (*i.e.* all income goes to the individual with the highest income). Redistribution is measured by comparing Gini coefficients for market income (*i.e.* gross of public cash transfers and household taxes) and for disposable income (*i.e.* net of transfers and taxes).