



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Ireland's Five-Part Crisis, Five Years On: Driving Reform and Institutional Innovation

For Council Meeting of Friday 20th September 2013

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Appendix 1: Social Impact of the Crisis

Unemployment has increased strongly with the rate¹ moving from 4.7 per cent in quarter three of 2007 to 14.6 per cent in quarter three of 2012, falling slightly to 13.7 per cent in the second quarter of 2013 (CSO, 2013a).

Long-term unemployment (being unemployed continuously for twelve months or more) is one of the most depressing effects of recessions. This recession has seen an increase in long-term unemployment (LTU) for both men and women, but especially for men. 58 per cent of the unemployed are now long-term unemployed, with men comprising 70 per cent of the LTU. Although the rate is still much too high, a note of positivity is that the number of LTU has been declining throughout 2012 and 2013 (from 204,300 in quarter one of 2012, to 175,000 in quarter two of 2013). However, with the structural changes in the economy, it has been argued that these levels of unemployment are likely to persist, particularly among the less-skilled. NERI estimates that in by 2017, approximately 140,000 people will be cyclically or structurally unemployed (Collins, 2012).

The percentage of people living in jobless households in Ireland has also risen since the beginning of the recession, from 15 per cent in 2007 to 22 per cent in 2010. In addition, a quarter of all children are living in jobless households. This proportion stands out when compared to other European countries, with the next highest (the UK) having 13 per cent of its households jobless. Those in jobless households comprised almost two-thirds of those in consistent poverty in 2010, which is a worrying issue for policy to address (Watson *et al.*, 2012).

Long-term unemployment and workless households are key challenges for policy development, although more active labour market policy may provide some assistance, as it can provide help for some of these groups to prepare for and enter the labour force. However, many of those currently distant from the labour force will need a wide range of supports and services to assist them to enter or return to it, such as high quality training, child care, and removal of poverty traps.

National level statistics hide the fact that there are areas with considerably higher unemployment rates than the average, and others with considerably lower rates (Morgenroth, 2012). In quarter three of 2007, there was a difference of two to three percentage points between the regions with the lowest unemployment rates (Midlands, Mid-East and South-West regions) and the region with the highest rate

¹ QNHS, ILO definition.

(the Border region). That gap has become six to seven percentage points six years later. In quarter 2 of 2013, the highest unemployment rates were in the South-East and Midlands, while the lowest were in the South-West and Dublin².

The recession has not only resulted in a substantial rise in unemployment rates in all regions but also led to divergence in unemployment rates across the regions. This suggests that there are underlying structural differences across regions. From a policy perspective, this is important as national policies are unlikely to address these region and location specific factors (Morgenroth, 2012).

The impact of job losses has been concentrated on those with the lowest skill-set or those whose skills are linked to a sector of the economy (construction) that is unlikely to recover to its 2007 peak. Between quarter one of 2007 and quarter one of 2012, 102,600 elementary skills jobs were lost, and 171,800 skilled trade jobs (Collins, 2012).

Reflecting the decline in construction-related jobs, men have been more strongly affected by unemployment than women, with the male unemployment rate at 16 per cent in quarter two of 2013, while that for women was 12 per cent (although the rate for men is falling, while for women it is rising). There was also a decline in male self-employment, which fell by 14 per cent between 2006 and 2012 (NESC, 2013). Younger people are strongly affected, with the unemployment rate of those aged under 25 at 30 per cent in quarter two of 2013. Unemployment is highest for early school leavers. In 2011, those under 25 who had completed lower secondary level had an unemployment rate of 65 per cent, compared to 18 per cent for under 25s with third level qualifications (CSO, 2012a).

The participation rate of younger people is also falling, due to emigration and people remaining in education. This reduces their unemployment rate. The national participation rate fell from 65 per cent in 2007 (quarter three), to 60.5 per cent in 2013 (quarter two), with the fall particularly large for those aged 15–19, many of whom have remained in education³. Net migration is about now 35,000 per year, and in 2011, 43 per cent of emigrants were aged between 15 and 24 (Conefrey, 2013); (CSO, 2012b).

Despite the very high rates of unemployment for those under 25, the actual numbers affected are somewhat lower than in older age groups, as the labour force is larger in older age groups. Some 64,700 of those aged under 25 are unemployed, compared

² The 2007 figures are from CSO (2007); and the Q2 2013 figures are from CSO (2013a).

³ The Q1 2007 figures are from CSO (CSO, 2007); and the Q2 2013 figures are from CSO (CSO, 2013a).

to 85,600 aged 25–34 (QNHS, quarter two of 2013). Altogether, one in five males aged between 25 and 34 is out of work (Collins, 2012).

For people of all ages, not just those aged 15–24, unemployment rates are much higher for those without a third-level qualification than for those with one. In 2010 they were as high as 24 per cent for those who had completed lower-secondary level, but for those with a third-level qualification the unemployment rates were below the national average, with 7 to 10 per cent unemployed (NESC, 2011). However a feature of this recession compared to previous ones is the higher educational profile of the unemployed.

Nationals from other countries also experience a higher level of unemployment compared with Irish nationals, approximately 17 per cent compared to 13 per cent (quarter two of 2013). And as will be outlined below, those in the South-East, Midlands and Border regions are more likely to be unemployed.

Households have also experienced a drop in wealth and/or disposable income since 2008. The largest income drops have been experienced by those who are unemployed, households with children, and students. However, those on the lowest incomes and most vulnerable to poverty remain those households where no-one is working. The numbers at risk of poverty have increased since 2009. The ‘at risk of poverty’ rate had been falling until 2009, but saw an increase to 16 per cent of the population by 2011 (CSO, 2012c). This increase reflects a change in the income distribution between 2009 and 2011, and a widening gap between those in the highest and lowest income deciles. As before the economic downturn, children have a comparatively higher risk of poverty, with older people having less exposure, although older people living alone (mainly women) and those with ill-health or disabilities have higher poverty levels.

The rate of deprivation has also risen. Deprivation (experiencing two or more types of enforced deprivation) has more than doubled from 12 per cent in 2007 to 25 per cent in 2011. The deprivation rate for those at risk of poverty was 43 per cent in 2011, up from 31 per cent in 2007. For those not at risk of poverty, the deprivation rate was 21 per cent in 2011, an almost three-fold increase from 8 per cent in 2007 (CSO, 2013b).

The over-indebtedness of households has also increased due to the economic downturn. In 2010 nearly one quarter of households were in arrears with at least one bill or loan, up from 2008 (CSO, 2013b). By June 2013, 13 per cent of mortgages for principal dwelling houses were in arrears, up from almost zero in 2004 (Central Bank, 2013). Those living in consistent poverty are many times more likely to be in general arrears than the overall population. Fifty-two per cent of households in

consistent poverty were in arrears with one or more item in 2010, compared to 22 per cent for all households (CSO, 2013b). There is a strong correlation between low income and over-indebtedness with lone parents, people who are unemployed and people who are ill or disabled showing a persistent lack of resources leading to over-indebtedness. There is also a strong association between over-indebtedness and low educational level. There has been an increase in well-educated people finding themselves in arrears particularly where they have a high level of expenditure in relation to their income, but they still remain less likely than people with low educational levels to be over-indebted.

Housing need has also increased. By March 2011, 98,318 households were on a local authority housing waiting list (Housing Agency, 2011), up from 42,946 in 2005, a 129 per cent increase. The most common reason for being on the list was 'unable to meet the cost' of housing, at 67 per cent. Another 96,803 households were in receipt of rent supplement in 2011, up from 59,861 in 2006, an increase of 61 per cent (Department of Social Protection, 2012). Demographic changes will mean that need for housing in suitable locations will also increase from 2015 on. At the same time, the number of unfinished housing developments, or 'ghost estates', in 2012 was 1,770. There are implications for home owners living in poorly finished estates that in some instances have few neighbours; no street lighting, paths, or green areas; and are located a good distance away from amenities or services (Kitchin *et al.*, 2010).

Emigration has also risen considerably, with 87,000 persons emigrating in the year to April 2012. This has been partially offset by continuing high levels of immigration, of around 50,000 per year since 2010, reducing the net migration figure to about 35,000 per year. Irish nationals account for over 50 per cent of emigrants, and in 2011, 88 per cent were in the 15–44 age group (Conefrey, 2013; CSO, 2012b). While the emigration of young Irish people may provide them with good opportunities overseas and reduce unemployment payments in Ireland, their skills and potential are a loss to the economy and, if their departure is out of necessity rather than choice, can have a detrimental effect on their families and local communities. Furthermore, sustained emigration of people of working age increases the age dependency ratio and weakens the State's longer term fiscal sustainability.

The impacts of the economic crisis and subsequent fiscal adjustments have been shown to affect some people's psychological and physical health. For example, the World Health Organisation has shown that unemployment, debt and other financial difficulties negatively impact on family relationships and mental health. Nonetheless, the impact of financial and other stress on individuals and their families is mediated by their resilience. There have been changes in satisfaction with life in

Ireland since the crisis began, with 92 per cent of Irish people either very or fairly satisfied with their life in 2005, but by 2012 this percentage had fallen to 86 per cent. The proportion feeling not very or not all satisfied with life increased from 7 per cent in 2005 to 14 per cent in 2012⁴.

Budgets from 2009 to 2014 have resulted in income reductions across the board, but overall the distributional impacts are progressive, with reductions of 4 per cent for the lowest-income group and reductions of 10 per cent for the highest-income group (Callan *et al.*, 2012). However, Callan *et al.* (2013) also note that there is a strong distinction between the budgets for 2009 (October 2008 and April 2009) and those for later years. The October 2008 Budget imposed high and progressive levies on income (later replaced by Universal Social Charge, USC), and a progressively structured public service pension levy. It also raised welfare payment rates by 3 per cent. Since then, budgets have been either regressive or broadly proportional. When the effects of Budgets 2009 to 2012 are examined by family type, families with someone in employment have experienced a 9 to 12 percentage loss in their income. In general, family types dependent on welfare experienced smaller losses of 2 to 7 per cent (bearing in mind that their income is generally smaller), with the exception of single unemployed persons, who saw their income reduce by 11 per cent over the period.

⁴ Assembled from Eurobarometer survey data, http://ec.europa.eu/public_opinion/cf/showtable.cfm?keyID=1&nationID=11,1,27,28,17,2,16,18,13,32,6,3,4,22,33,7,8,20,21,9,23,34,24,12,19,35,29,26,25,5,14,10,30,15,&startdate=2005.06&enddate=2012.05, accessed on 7 February 2013.

Appendix 2—Summary of the Action Plan for Jobs

As part of its response to the employment challenge the Government launched its second Action Plan for Jobs 2013 (APJ). It contains 333 actions and engages 16 Government departments and 46 agencies.

The main elements of the APJ are:

- **Disruptive Reforms:** These are identified as areas with the potential to have a significant impact on job creation or where Ireland can profit from a natural advantage or opportunity that presents itself in the economy (:9). There are seven 'disruptive themes': 'Big Data' and analytics; ICT skills availability; integrated licensing application system; online businesses; the JobsPlus initiative; energy efficiency; and national health innovation hub.
- **Pathway to Work:** It provides a short summary of this Government initiative, its basic aims and progress achieved to date in areas such as client profiling, establishment of Intreo offices and integration of FAS services into Department of Social Protection.
- **Access to Finance:** It provides an overview of developments in relation to finance for micro, small and medium enterprise.
- **Competitive Advantage:** It discusses the various ways by which Ireland can build competitive advantage: research and innovation including the prioritisation of 14 research themes and revised legislation to permit SFI to fund 'applied research'; cost competitiveness, aligning skills with enterprise needs, infrastructure investment and through the development of sensible regulation.
- **Entrepreneurship:** It highlights the role of competitive start funding, non-financial supports, female entrepreneurship and the attraction of international entrepreneurs. Key institutional developments are the launch, in 2013, of Local Enterprise Offices (LEOs) that will provide support to micro-enterprises through Local Authorities; and, the establishment of a Centre of Excellence for Micro-enterprise and Small Business within Enterprise Ireland. A national entrepreneur development programme, New Frontiers, has been established and will be delivered at local level by the Institutes of Technology.

- **Indigenous Business:** It focuses attention on the role of Irish companies in supporting export-led job creation. It proposes action to expand this role by scaling Irish enterprises into global players and forging partnerships in business, research collaboration and new ventures overseas. The key institutional development is the establishment of a senior management team to allow IDA and EI to work together to attract inward entrepreneurs, maximise procurement opportunities and strengthen linkages between MNCs and SMEs.
- **Foreign Direct Investment:** IDA launched a five year strategy, Horizon 2020, in 2010. It is a dual strategy focused on attracting new investment and jobs and helping drive company transformation to protect and retain jobs in Ireland. The target is to attract 640 new investments and create 62,000 jobs (gross). In the first three years 419 investments have been secured and 36,332 jobs (gross) have been created. The target of creating 50 per cent of investments outside Dublin is proving challenging (:98).
- **Employment at Community and Local Level:** The APJ includes some aspects of Local Government reform and also includes additional measures such as the role of EI in LEOs and the New Frontier’s programme; as well as supports for local initiatives. The Plan highlights the role of local businesses in providing employment and local initiatives and campaigns taken directly by communities and business (e.g Shop Local Campaigns).

Finally, the report considers specific sectoral opportunities in the following areas: manufacturing, agriculture, food and marine, green economy, construction and property, tourism, retail, creative services, aviation services, international financial services and cloud computing.

Action Plan for Jobs—Process

There is an overarching annual policy statement, the Action Plan for Jobs, and also supporting plans and statements such as the Green economy report *Delivering Our Green Potential*. The success of these plans increasingly depends on a significant level of engagement across a myriad of sectors, involving several government departments, agencies and many companies and other stakeholders. The issue of how Government manages such a network and diverse set of sectors is a critical and long-standing challenge. What has emerged, thus far, is a process with three key elements: an overarching plan; a monitoring committee and secretariat; and, steering or implementation groups. Table A2 provides a summary of each.

Table A1: Components of the Action Plan for Jobs Process

Action Plan for Jobs	<p>Annual plans are developed by Department of Jobs, Enterprise and Innovation and Forfás.</p> <p>Plans are developed in consultation with Government departments and agencies. There is also a process of consultation with industry. Plans were published in 2012 and 2013.</p> <p>APJ 2013 contains 333 actions and engages 16 Government departments and 46 agencies.</p>
Monitoring Committee	<p>The monitoring committee is jointly chaired by the Secretary Generals of Department of An Taoiseach and Jobs Enterprise and Innovation. Its members are drawn from those departments and Public Expenditure and Reform.</p> <p>The function of the Monitoring Committee is the monitor the implementation of the Action Plan. It is supported in this work by a small secretariat. The Secretariat is based in the Department of An Taoiseach but includes staff drawn from Forfás.</p>
Steering Groups	<p>A number of steering groups, chaired by Assistant Secretaries, have been established to support the work on the seven Disruptive Themes. Six senior executives from industry are members of the steering groups, with some serving on more than one group.</p>

The plans are developed by the Department of Enterprise, Jobs and Innovation and Forfás. There is a public phase of consultation and this led to over 600 submissions for the APJ 2013. However, in reality given its focus, the submissions which tend to dominate attention are submitted by those closest to the needs of business. There is also a process of consultation with industry.

The Government endorses and commits to implementing the plans. The management of the process is carried out by a Monitoring Committee, located within the Department of the Taoiseach. It is supported by a small secretariat. The activities of the Monitoring Committee and its Secretariat include:

- **Breaking Down Plans:** The annual plan is re-worked into quarterly actions which are then circulated by the Secretary General of Department of An Taoiseach to each department.
- **Advance Warning:** A warning system is in place to track work during each quarter. This involves checking at the end of the first month to see if plans are on track or not; and “flash report” at the end of month two to identify potential problems. The latter forms the basis for a memo to cabinet.

- **Referral:** Plans and in particular problem areas are referred to various bodies that can help provide fresh impetus. These include various cabinet sub-committees and via the Cabinet directly to responsible ministers.
- **Reporting and Review:** Progress is classified as either “delayed” or “complete”. Where projects are delayed sufficient information must be provided to allow the monitoring committee assess the validity of the reason for delay. The Secretariat use its expertise—or contacts where areas are outside their own expertise—to assess plans and their ambition. They will also occasionally follow-up on specific outputs—such as a workshop or trade event—to identify the impact on sales or jobs.
- **Case-studies:** In a number of areas the Secretariat have provided short case studies to help communicate the impact the Plans are having at the front-line.
- **Targets:** Of 300 actions at least half of could be described as outcome orientated, though only a very small number of the actions refer to actual job creation targets⁵.

The process relies on departments and agencies to provide detailed analysis in relation to progress, almost on a monthly basis. Progress reports are produced on a quarterly basis. In particular, if plans are delayed sufficient information must be available to allow the Secretariat and the Monitoring Committee to understand and verify reasons for inaction. Quarterly progress reports are now compiled and in these reports stakeholders report their on specific quarterly actions, related to each action in the Annual Plan. As welling as providing a status update they provide a commentary in relation to the action. In most cases the commentary highlights the impact of the action or at least the expected impact of a measure taken. Thus for example commentary related to Action 53 (Tax Plan for SMEs) notes that change to corporation tax and incentives in Budget 2013 are expected to help cash flow among SMEs and reduce administrative burden.

⁵ Given that responsibility for job creation is seen to lie with business then there is some justification for this

Appendix 3—Delivering Our Green Potential

Delivering Our Green Potential is a government policy statement which examines the potential of the green economy in Ireland.

The statement covers ten discrete sectors including an R&D sector which cuts across many of the other sectors. For each of these sectors the statement identifies the work that is taking place. It draws attention to existing policy documents covering these sectors and new policy work. In addition the policy statement identifies a number of enablers or cross-cutting themes. These include technological convergence—particularly between ICT and biotechnology; training and education; standards, biodiversity and branding.

Biodiversity is included as one of the enablers of the green economy. The report states that there is a clear link between the protection of Ireland's biodiversity and the economy (:42). Sectors such as agriculture, forestry, tourism, marine fisheries and aquaculture are seen as reliant on effective conservation and management of natural resources. The statement notes that Ireland's national ecosystem services have been valued⁶, in terms of their productive output and human utility, at over €2.6bn per year. In this context, the report argues that 'implementation' of Ireland's national Biodiversity Plan (Actions for Biodiversity 2011-2016) will play a key role in protecting our diversity and ecosystems.

⁶ The Economic and Social Benefits of Biodiversity, Department of Environment, Heritage and Local Government, 2008.

Delivering Our Green Potential: An Overview

Sectors	Policy
Renewable Energy <i>Wind, Ocean, Biomass & Grid Development</i>	<ul style="list-style-type: none"> • Delivery of the Strategy for Renewable Energy 2012-2020. • Offshore Renewable Energy Development Plan • National Bioenergy Strategy
Energy Efficiency and Resource Efficiency <i>Buildings, Industry, Grid Smart Meters & Public Procurement</i>	<ul style="list-style-type: none"> • Second National Energy Efficiency Action Plan • Energy Framework for the Public Service • <i>Better Energy programme to upgrade 1 million buildings</i> • <i>Introduce Pay As You Save schemes by 2014</i> • <i>Green Tenders: An Action Plan on Green Public Procurement</i>
Green Products and Services <i>Equipment, materials, operations, management and research</i>	<ul style="list-style-type: none"> • Support for commercial cleantech companies • Green clusters—such as Greenway (Dublin), Cleantech Centre (Limerick) • Innovation Campus for ‘research—active’ cleantech
Green IFSC <i>Capital markets, investment banking and advisory services</i>	<ul style="list-style-type: none"> • Green ‘IFSC’ Strategy for Ireland’s International Financial Services Centre 2011-2016 • New Seed and Venture Capital scheme (post 2012)
Agriculture, Marine and Forestry Food Products; <i>Food, energy, tourism, recreation & ICT</i>	<ul style="list-style-type: none"> • Food Harvest 2020 (2010) • Origin Green—carbon footprint monitoring (2012) • Harnessing Our Ocean Wealth—An Integrated Marine Plan for Ireland (July 2012) • Forestry Policy Review—capacity of the sector to expand
Tourism <i>Heritage sites, outdoor leisure, eco-tourism & conventions</i>	<ul style="list-style-type: none"> • Green Hospitality Programme (accreditation)
Waste Management <i>Public support, municipal recovery, & market development</i>	<ul style="list-style-type: none"> • <i>National Waste Policy—A Resource Opportunity</i> • Market Development Programme 2008 -2013
Water Management <i>Water stress/ drought & test-bed</i>	<ul style="list-style-type: none"> • EPA and EI led active research coordination group (2010) • Water Services Investment Programme • Establishment of Irish Water
Transport <i>Soft services; test-bed activity; intelligent transport</i>	<ul style="list-style-type: none"> • Incentives for EVs—with review after 2012
R&D	<ul style="list-style-type: none"> • Priorities: Sustainable Food Production and Processing; Marine Renewable Energy & Smart Grids & Smart Cities. • EPA’s research programme, STRIVE • Research Stimulus Fund (RSF) for agriculture • Food Institutional Research Measure (FIRM) • Forestry Research Programme (CoFoRD) • Strategy for Bioeconomy⁷

⁷ The term ‘Bioeconomy’ encompasses the sustainable production of renewable biological resources and their conversion—and that of waste streams—into feed, food and biobased products such as bioplastics, biofuels and bioenergy. In Ireland, the key elements of the Bioeconomy are the agri-food and fisheries sector, forestry and bio-pharmaceuticals.

Appendix 4—Environmental Policies, Reports and Legislative Context

National Policies and Reports	
Ireland’s Environment: An Assessment (EPA, 2012)	Four-yearly state of the environment report.
Our Sustainable Future (DECLG, 2012)	Overarching national policy framework for sustainable development.
Delivering Our Green Potential (DJEI, 2012)	Outlines the potential of the green economy for Ireland.
Harnessing our Ocean Wealth (DAFM, 2012)	Integrated Marine Plan (IMP) sets out a roadmap to enable our marine potential to be realised.
Strategy for Renewable Energy 2012-2020 (DCENR, 2012)	Focuses on energy demand reduction and developing the renewable energy sector.
Food Harvest 2020: A Vision for Irish Agri-food and Fisheries (DAFF, 2010)	This is an industry-led group developed a strategy for the food sector.
Green Tenders, An Action Plan on Green Public Procurement (DECLG, 2011)	This Action Plan commits the public sector to playing a sustainability role through its procurement activities.
National Renewable Energy Action Plan (DECLG, 2009)	The purpose of this Action Plan is to identify policies and measures that have the potential to contribute towards the national 20% target in energy reduction.
Actions for Biodiversity 2011-2016: Ireland’s National Biodiversity Plan (DAHG, 2011)	Aims to achieve reductions in biodiversity loss and degradation of ecosystems by 2020.
A Resource Opportunity: Waste Management Policy in Ireland (DECLG, 2012)	Focuses on measures for increased prevention, reuse and recycling and so that we reduce the impact of waste on the environment.
Sustainability Development Indicators Ireland (CSO, 2013)	Indicators include GHG emissions, forestry levels, water quality, energy use, natural habitats and birds.
Ireland’s Second National Energy Efficiency Action Plan to 2020 (DCENR, 2012)	Follows on from the 2009 NEAP and includes measures which aim to secure a more sustainable energy future for Ireland.
Review of National Climate Policy (DECLG, 2011)	Sets out the challenges to meet 2020 targets.
Ireland and the Climate Change Challenge: Connecting How To and How Much (NESC, 2013).	Sets out the NESC Secretariat’s vision for Ireland in 2050, and building blocks to underpin it.

Selected EU/International Policy and Legislative Context	
EU 2020	One of 5 headline targets of the EU 2020 relates to climate change and energy sustainability.
EU 7 th Environmental Action Programme proposal	Proposes to focus action on nine priority objectives including natural capital; resource efficient, low-carbon economy and health and well-being.
EU Roadmap to a Resource Efficient Europe	<i>Resource Efficient Europe</i> is a flagship initiatives adopted by the European Council as part of its <i>EUROPE 2020</i> strategy.
Our Life Insurance, our Natural Capital: An EU Biodiversity Strategy to 2020	Focuses on full implementation of EU nature legislation
EU Habitats Directive	Aims to protect some 220 habitats and approximately 1,000 species listed in the directive's Annexes.
EU Water Framework Directive	Aims to achieve good qualitative and quantitative status of all water bodies.
EU Birds Directive	The Birds Directive aims to protect all European wild birds and the habitats of listed species, in particular through the designation of Special Protection Areas.
UN Convention on Biological Diversity	This 1993 convention covers all aspects of biological diversity:
The Aarhus Convention	Ratified by Ireland in 2012 it grants the public rights regarding access to information, public participation and access to justice, in governmental decision-making processes on matters concerning the local, national and transboundary environment.
EU Environmental Impact Assessment Directive	This directive aims to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment, prior to their approval or authorisation.
United Nations Framework Convention on Climate Change (UNFCCC or FCCC)	An international environmental treaty which seeks to 'stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.'

Appendix 5: Activation

The Five Strands of Pathways to Work

Two versions of *Pathways to Work*⁸ have now been published – the first in February 2012, with a follow up *Pathways to Work 2013*⁹ the following year. Each document is organised around five strands, which are outlined here:

Engagement with people who are unemployed:

A Probability of Exit (PEX) profiling system has been developed to identify those at risk of not leaving the live register within a short time-frame. Those at high risk of long-term unemployment are provided with one-to-one supports, while those at medium-risk participate in group advisory sessions. *Pathways to Work 2013* also looks at Ireland's high number of jobless households, and commits to developing proposals to reconnect those in these households to the labour market.

Provision of activation places and opportunities:

Under this strand, job placement, work experience and their training programmes are outlined. *Pathways to Work 2013* also includes a commitment to develop a Youth Guarantee.

Incentivising the take-up of opportunities:

Changes to social welfare payments to incentivise taking-up of employment are outlined, including sanctions, and the introduction of the Single Working Age Assistance Payment, rather than the various payments now existing (Jobseeker's Benefit and Allowance, One Parent Family Payment, and Disability Allowance). *Pathways to Work 2013* also considers secondary benefits, and the extent to which they may fail to incentivise jobseekers to take up employment¹⁰.

⁸ Available at <http://www.welfare.ie/en/downloads/pathwaystowork.pdf>

⁹ Available at <http://www.welfare.ie/en/downloads/Pathways-to-Work-2013.pdf>

¹⁰ There are a small number of cases where the replacement rates are high, and 'the design of unemployment benefits implies stronger disincentive effects for low-skill workers and the long-term unemployed' with 'secondary benefits further worsen[ing] disincentive effects'. Rent Supplement is an example.

Working with employers:

Employers will be incentivised to provide jobs for those on the Live Register, through schemes such as Job Bridge and the recently introduced JobsPlus, and also through the Local Enterprise Offices (LEOs) (due to be established shortly¹¹). For the first time, Enterprise Ireland, the IDA, and the LEOs will be linked, which will provide more streamlined links between employers and job-seekers.

Reforming institutions:

This section refers to the establishment of Intreo (the new public employment service), sourcing additional unemployment support case managers from the private and voluntary sector, links between education and training and Intreo, and monitoring of targets on activation.

Pathways to Work 2013 finishes with an Appendix outlining fifty specific action points, along with the responsible agency and timeline for acting on each point. Progress is reported quarterly

Monitoring Pathways to Work

A Cabinet subcommittee on Economic Recovery and Jobs has been established, with the Taoiseach, the Tánaiste, the Ministers for Social Protection, Education and Skills, and Public Expenditure and Reform, and the junior Minister for Training and Skills. It has met monthly to date in 2013. The Senior Officials Group on Labour Market Issues supports it. An inter-departmental programme board, chaired by the Department of Social Protection, has also been set up. It comprises representatives from Forfás (in relation to the Expert Group on Future Skills Needs), Fás/Solas, and the Departments of Jobs, Enterprise and Innovation, Social Protection, Education and Skills, and Public Expenditure and Reform.

In relation to targets and reporting, the Cabinet subcommittee on *Pathways to Work* receives monthly reports on progress. Quarterly targets for 2013 have also been set and these are now published on a quarterly basis. These targets are in relation to both outcomes (e.g. reducing long-term unemployment by 75,000 by the end of 2015); and outputs (e.g. completing personal profiles of those on the Live Register, providing one-to-one meetings and group advisory sessions). The 2012 version of *Pathways to Work* contained no agreement to publish progress under it. However, as noted above, *Pathways to Work 2013* contains a 50 point action plan, which outlines

¹¹ For more information, see <http://www.djei.ie/press/2013/20130520.htm>, accessed 3 September 2013

the responsible agency and timeline for implementing each action point. It also commits to publishing progress reports on meeting these targets.

Appendix 6—Greening the Economy: Wider Spectrum of Ideas

The Green Economy Group (GEG) is an ad hoc group of members of the Irish Environmental Pillar. In 2012, it produced a detailed report which mapped out the multiple ways in which the economy might be greener (Green Economy Group, 2012). This appendix summarises the GEGs ideas on various ways of greening the economy. It makes a first assessment of the distinction between those greening items which seem close to, or already in line with, current Government policy and a subset which would seem more challenging.

Table A5, Part A lists areas where there would seem to be alignment between current policy and the broader greening view. The issues listed include the definition of green jobs, procurement, training, innovation and role of cooperatives. This does not mean that there are not particular ways in which policy in areas such as innovation or procurement might be made greener. However, in these areas the arguments associated with broadening the green economy can be seen to be going with the policy grain. As such these elements of the broader greening agenda would seem to have a greater chance of being more easily and immediately integrated into and used to improve existing policy. Additionally, in relation to sectors the GEG provide some specific suggestions which may not be fully reflected in current policy. For example, the development of a labour intensive high value added fishing sub-sectors; a deposit and return scheme; and development of wool and wood based insulation products. It would seem feasible that ideas such as these could be considered in the formulation of the next Action Plan for Jobs.

Table A5: Greening Economy—A Wider View

Part A: With the Grain of Current Government Policy	
Green Jobs	Jobs in businesses that produce goods and provide services that benefit the environment or conserve natural resources
Procurement	Prioritise implementation of government policy on green procurement
Training	Youth unemployment and green jobs and innovation and creativity in training methodologies
Innovation	Greater focus on sustainability and Green Way as prototype.
Cooperatives	Update legislation to give level playing field for all enterprises
Investment Programmes	Objective assessment, job creation potential and sustainability indicators and knock-on effects on public health, and fund for matching resources for range of EU resources
Sustainability	Step-up in corporate social responsibility and 'proper enforcement of environmental law (including new Wildlife Crime Officers)
Part B: Needs Further Development and Active Exploration	
Circular Economy	Development of 'circular economy' projects such as closed loop factory, zero-waste business clusters or communities
Just Transitions	Projects which explore how sustainable development, economic and social interests are intertwined in specific local circumstances, for example in the Greenway Cluster in North Dublin
Monetary Policy	Investigate mechanisms for moving away from debt based money and for developing local currencies
Employment	Reduce the working week to alleviate unemployment
Taxation	Ensure that both taxes and expenditure, including subsidies, incentivise sustainability and employment. Key issues include site value tax, taxation of resource use and pollution.
Reform of the Euro	Reform of the Euro and its governance is that it is capable of fulfilling its role in a sustainable economy
Constitution	Include right to clean and healthy environment in terms of Constitutional Convention

Source: Derived from *Creating Sustainable Employment by Greening the Economy*, Green Economy Group (2012).

Part B of Table A5 lists aspects of the greening agenda that would seem to be more challenging. This does not mean that all of these issues are necessarily at odds with government policy. An example of an emerging area with potential, but which needs further work, is the circular economy. A 'circular economy' aims to 'design out' waste—products are designed and optimised for a cycle of disassembly and reuse (Ellen MacArthur Foundation, 2013). In a circular economy the industrial system is restorative or regenerative by intention and design. It seeks to replace the 'end-of-life' concept with restoration, shifts towards the use of renewable energy, eliminates

the use of toxic chemicals, which impair reuse, and aims for the elimination of waste through the superior design of materials, products, systems, and, within this, business models. Unlike in today's 'buy-and-consume' economy, durable products are leased, rented, or shared wherever possible

In addition, the discussion of taxation—the thrust of which is the need to transition to more reliance on taxing the use of resources and pollution—is not something government is likely dispute. It has been argued that the potential for environmental tax reform in Ireland, based on established practices across Europe, could be to raise environmental taxes on environmental 'bads', such as pollution and the inefficient use of resources, to 15-20 per cent of total tax revenues by 2015, from 8 per cent today (in 2010)(European Environment Agency, 2010). The GEG study includes proposals to introduce water charges, water abstraction charges, levy on aggregates, taxes on pollutants, tax on packaging, further energy and transport taxes and a land value tax (:7). Some of the specifics discussed within that report are now part of Government policy, such as water charges, others are not but this does not mean that they may not become so in future. It would seem that the role of environmental tax reform is acknowledged in Ireland, however, the design and implementation of new taxes is complex. In other areas, such as monetary policy and employment the GEG report is arguing for more radical policy change.

Appendix 7: Local Government Reform

The Department of the Environment, Community and Local Government has outlined a new architecture with the express intention of empowering actors and communities to play more decisive roles at the local, city/county and regional levels (*Action Plan for Effective Local Government*, October 2012). The number of local authorities has reduced from 34 to 31 and there will be three large Regional Assemblies (replacing the current eight Regional Authorities and two Regional Assemblies) and these will have a role in drawing up and implementing Regional Spatial and Economic Strategies (RSES). This is to be done in cooperation with government departments and state bodies that, thereafter, and similar to the Local Authorities themselves, agree to be held accountable to the provisions of the RSESs. City and County Development Plans are to reflect these higher level RSESs (with Strategic Policy Committees for Economic Development and a Directorate of Economic Services in each Local Authority playing the key roles) and, in turn, to inform lower level Local and Community Plans. The latter are to be drawn up by Socio-Economic Committees which Local Development Companies and the local community sector participate in formulating and to which, afterwards, they too are to be held accountable.

Recent work by the NESC Secretariat for the OECD looked at two regions: Dublin and the South East (Sweeney, 2013 forthcoming). In terms of economic development it found that forums and mechanisms which bring stakeholders (e.g., the state development agencies, employer representative bodies, higher education institutions, local authorities, local development companies, etc.) in local economic development together are weak or non-existent. It found that instances of broad collaboration take place occasionally in each of the regions but they are overly reliant on good inter-personal relationships between key personnel, the quality of individual leadership and/or the stimulus of a specific event. It found that there is, in effect, no authoritative coordination of all these players at the regional, city/council or sub-county levels. Particularly at the county and sub-county levels, there are numerous boards, partnerships and committees operating that, all too often lack decision making powers and influence, making the majority of them quite weak.

This lack of effective coordination is compounded by a weak regional tier which has little impact on policy making, a governance level which in other OECD countries often serves as an integration platform. The research also found that in the case study areas, the pressure of reduced resources at the current time is even tempting

some public service providers to retrench into policy silos and pull out of partnerships, making collaborative action at the local level more difficult.

This suggests that at local and regional level the challenge of coordinating and organising effective search processes which will maximise employment creation opportunities should not be underestimated.

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