



Citizen Government

POLITICAL AND PUBLIC SECTOR REFORM IN A JUST REPUBLIC

CITIZEN GOVERNMENT

This report has been issued by the Board of the Collins Institute.

Work was overseen by
Dr Sean Faughnan, Director of the Collins Institute.

First published in July 2015

Open access is granted with appropriate reference to source material



CONTENTS

EXECUTIVE SUMMARY	5
PART 1: OVERVIEW	14
1. BEYOND POPULISM: EMPOWERING THE CITIZEN	15
Better Decisions – Improved Outcomes	16
2. TOWARDS A JUST REPUBLIC	19
Fine Gael and the Irish Republic	19
Six Key Principles	22
PART 2: RECOMMENDATIONS	26
3. CITIZEN POLITICS	27
Recommendation 1: An Elected Seanad in a Reformed Oireachtas	28
Recommendation 2: New Structures with Greater Public Participation	36
4. CITIZEN SERVICES	41
Recommendation 3: More Commissioning with Increased Personalisation	42
Recommendation 4: Responsive Policy Implementation and Agile IT	48
APPENDIX 1: Beyond Traditional Republicanism	55
APPENDIX 2: Hunt Review Summary Recommendations	57
APPENDIX 3: Digital by Default Service Standard	63

THE COLLINS INSTITUTE

The Collins Institute is a think tank which was launched in December 2014.¹ It is supported by Fine Gael but operates independently of it. All papers published by the Institute are intended for discussion purposes only and do not represent Fine Gael policy.

The Institute's name recognises the crucial role which Michael Collins² played in the creation of the Irish state and the special position which he occupies in the affections of many citizens today. Collins has been variously described by current Fine Gael members of the Government as "the father of Irish democracy" (Michael Noonan³); an "ideas person, as much as a soldier and a political leader" (Simon Coveney⁴); and a man who "has given us a compelling inheritance of politics and leadership as they should be" (Enda Kenny⁵).

The Institute will examine how a new, more **Just Republic** might be established in Ireland as we approach 2022, the centenary of both the founding of the state and the death of Collins. By Just Republic we mean a modern citizen focused republic which is built around two key Fine Gael propositions: its long held belief that Ireland must become a fairer and more *Just Society*,⁶ and its more recent calls for the creation of a *New Republic* in our country "where trust is restored in our democratic institutions."⁷

In seeking to explore these ideas the Institute will focus on four key pillars of any modern republic:

- **Powerful Citizens:** In our view the key goal of public policy in any republic should be to create fully empowered individuals who, with the right supports and capabilities, can exercise as much control over their own lives as possible, either as individual citizens or as part of wider communities.
- **A Social Market:** The Institute will examine a range of policy options which can help deliver both a full employment economy and a more just society in Ireland, the two core building blocks of any fair and efficient economic system.
- **An Enabling State:** Public services in a modern republic should be judged by the extent to which they help enable and build the capabilities of its citizens, particularly the most vulnerable. The Enabling State should facilitate the provision of localised and personalised services wherever and whenever possible.
- **Strong Communities:** The Institute will suggest different ways to support the growth of a wide range of communities and organisations across Ireland, taking into account the various and differing challenges facing rural and urban citizens, and the potential impact of new virtual communities supported by social media.

1 The Institute's launch document - *The Just Republic* (December, 2014) - can be accessed at www.collinsinstitute.ie.

2 Irish revolutionary leader and Minister for Finance who became Chairman of the Provisional Government and Commander-in-Chief of the National Army. He was killed in an ambush in August 1922 during the Irish civil war.

3 Minister for Finance.

4 Minister for Agriculture, Food, the Marine and Defence.

5 Taoiseach (Prime Minister) of Ireland and leader of Fine Gael.

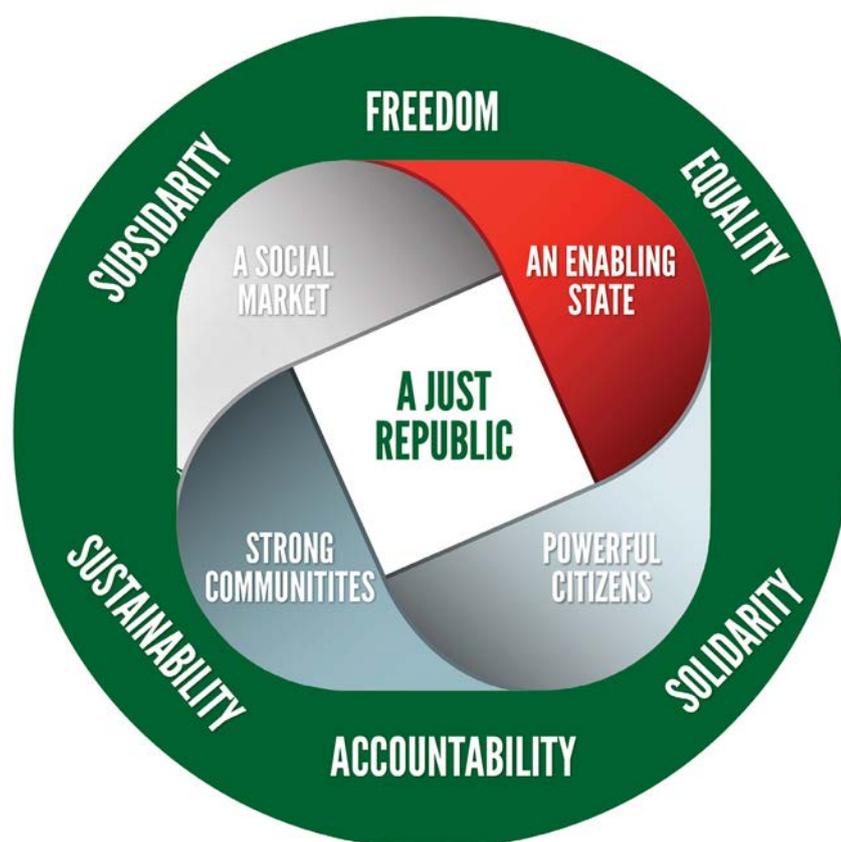
6 2015 is the fiftieth anniversary of the drafting of a set of policies which were published in Fine Gael's 1965 manifesto, *Towards a Just Society*.

7 Fine Gael's *New Politics* document, published in 2010.



As part of its work the Collins Institute has identified six key principles which we believe can help support the creation of a Just Republic in Ireland. Our starting point is Fine Gael's *Just Society* document and the three fundamental principles which it promoted: **Freedom** of the individual, **Equality** of opportunity and social **Solidarity**. In examining the possible architecture of a Just Republic the Institute will also focus on three more modern principles which were largely ignored during the Celtic Tiger: institutional **Accountability**, economic **Sustainability** and **Subsidiarity** within government.

Figure 1: A Just Republic



Source: Collins Institute

GLOSSARY

APJ: Action Plan for Jobs

CJ: Citizen Jury

CSO: Civil Society Organisation

DESI: Digital Economy and Social Index

DPER: Department of Public Expenditure and Reform

EGDI: eGovernment Development Index

EU: European Union

GDU: Government Delivery Unit

IMF: International Monetary Fund

IT: Information Technology

NAP: National Action Plan

NTMA: National Treasury Management Agency

OECD: Organisation for Economic Cooperation and Development

PB: Participatory Budgeting

PCB: Personal Care Budget

PDU: Programme Delivery Unit

PHB: Personal Health Budget

PPARS (IT System): Personnel, Payroll and Related Systems

PPN: Public Participation Network

UK PMDU: UK Prime Minister's Delivery Unit



EXECUTIVE SUMMARY

The recent referendum on same-sex marriage was a potentially pivotal moment in the creation of a truly Just Republic in Ireland. An overwhelming majority of Irish people voted in favour of giving their fellow gay and lesbian citizens the same right to marry as that enjoyed by the rest of society. It was forward looking and inclusive politics at its most meaningful, with voter turnout in a referendum at its highest since 1995 and significant engagement by younger people – including a large number who travelled back to Ireland to vote.

Citizen Government looks at how we can build on and harness the energy and enthusiasm demonstrated by so many of our citizens and Civil Society Organisations (CSOs) during that campaign. Our vision is of a citizen-focused republic in which the concerns of the citizen are placed at the heart of government, and as much power as possible is devolved downwards. The paper contains a series of proposals for reform which would allow Irish people to participate much more fully in the running of their country, both at a national and local level.

Future papers will look at how Ireland's welfare state and system of education can be reformed so that they deliver real equality of opportunity to all - and services which are personalised around the specific needs of individual citizens.

SEVEN KEY PROPOSALS

Figure 2 below summarises the broad range of proposals included in this report. Our recommendations can be grouped under seven thematic headings:

1. **STRONGER LOCAL COMMUNITIES.** All local communities should be empowered through the rollout of local *Participatory Budgets*, which would allow citizens to have a much greater say in how state money is spent in their local area. We also recommended that *Community Rights to Challenge and Bid* provisions be implemented. The former would give CSOs and local authority employees the right to express an interest in taking over the running of a local authority service. The latter would give the local community the right to bid on assets which are offered for sale which are listed as having community value. We also recommend that a *National Strategy for Volunteering* be rolled out as a key priority, in order to encourage as much volunteerism at local level as possible. While this paper does not focus specifically on the many challenges facing local rural communities we believe that these proposals should be implemented as part of a wider strategy to strengthen such communities.
2. **AN ELECTED SEANAD.** An Elected Seanad should be created as part of wider Oireachtas reform, including a further opening up of the budget process, a strengthening of the committee system and a Citizens-Initiative process.⁸ Under our proposals 54 Senators would be elected through a "mixed" electoral system,⁹ while the remaining 6 Senators would be elected to two separate panels of 3 Senators each (see Recommendation 3). Our Open Seanad proposal would give citizens the right to participate in some of its debates and to put questions directly to ministers. A new Citizens Assembly, building on the work of the Constitutional Convention, should consider this and any other proposal for Seanad reform.
3. **VOTES FOR THE IRISH ABROAD AND NON-IRISH RESIDENTS.** All Irish passport holders and non-Irish residents should be given a *Vote in Presidential Elections* while we propose that 6 Senators would be elected in two separate panels: i) 3 would be elected by Irish passport holders living in Northern Ireland and citizens born in Ireland but residing abroad; and ii) 3 would be elected by Non-Irish residents who are entitled to participate in Local and European elections.

⁸ Citizens would be able to ask the Government to propose legislation in a particular area provided that it has the backing of, say, 100,000 signatures (collected either on paper and / or online).

⁹ This system would combine direct voting for candidates with a party list system.

4. **FREE VOTES IN THE OIREACHTAS.** All parties should offer members of the Oireachtas free votes on so-called "life and death" issues such as abortion and euthanasia; on the committee stage of non-Money Bills; and on all recommendations from the proposed Citizens Assembly. The Ceann Comhairle should become a non-partisan champion for opening up politics generally and the Dáil in particular, and should be elected by either a free or secret vote in the future.
5. **A DIGITAL DEMOCRACY.** A *Digital Democracy Commission* should be established to examine, among other things, the possibility of making secure online voting a reality by 2021. More generally Ireland should target a Top 5 Position in eGovernment within a decade through the adoption of an *Agile IT* methodology and the implementation of a *Digital by Default* strategy.
6. **REAL PUBLIC OWNERSHIP.** The Government should increase its commissioning of services to the OECD average over the next decade. *Public Sector Mutuals / Cooperatives*¹⁰ should be created as part of this process, both to improve delivery and give citizens a real sense of public ownership. The policy-making process should also be opened up to citizens through the use of such mechanisms as *Citizen Juries*¹¹ and *Contestable Policy Funds* which would allow any willing and able provider, including CSOs, to bid for funding to develop policy. This would help remove the monopoly on policy making currently enjoyed by the civil service.
7. **AN EMPOWERED AND ACCOUNTABLE CIVIL SERVICE.** Civil Servants should be empowered and made accountable to the Oireachtas through an amendment to the Ministers and Secretaries Acts and the Public Service Management Act. We welcome recent Government reforms which seek to ensure that good performance is recognised – as well as challenging poor performance. A proposed new *Programme for Government Delivery Office* within the Taoiseach's Department, and new *Programme Delivery Offices* within each department, would help support the delivery of policy and would also be made accountable to the Oireachtas. Finally, a *Public Sector Remuneration Commission* should be established to provide independent expert analysis and recommendations on public sector pay and pensions.

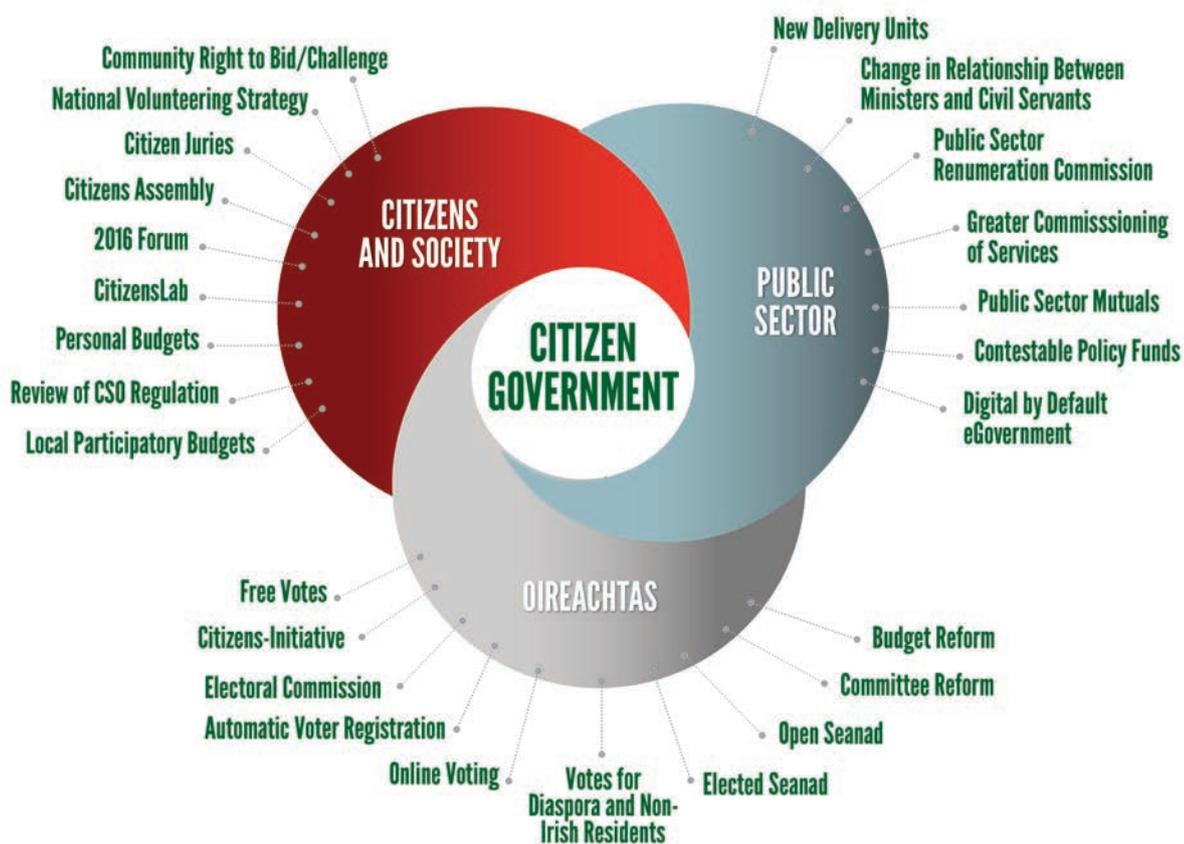
An implementation schedule for all of these recommendations is included in the relevant chapters of this paper. While many of our proposals can be implemented over the short term our implementation schedule assumes a gradual rollout over the period 2016-2021 and beyond.

¹⁰ Mutuals and Cooperatives are very similar entities, with some differences in ownership structure. They are based around the idea of people working together for the benefit of all members. The two terms are used interchangeably in this document.

¹¹ The basic idea of a Citizen Jury is to invite a group of randomly selected citizens to consider a matter of policy on a short term basis.



Figure 2: Citizen Government Overview



Source: Collins Institute

THIS PAPER

Citizen Government is divided into two parts.

PART 1: OVERVIEW

Chapter 1 looks at the challenge presented to traditional politics and methods of government by the rise of populism across Europe. It argues that the best way to respond is to give citizens a greater role in the government of their state, and to reform its institutions so that they are both more effective and more responsive to the needs of individual citizens and local communities. It also argues that Ireland is in a potentially strong position to introduce such reforms, building on changes made to date.

Chapter 2 examines the strengths and weaknesses of Ireland's system of politics / government, viewed through the prism of the six key principles which should underpin any Just Republic.

PART 2: RECOMMENDATIONS

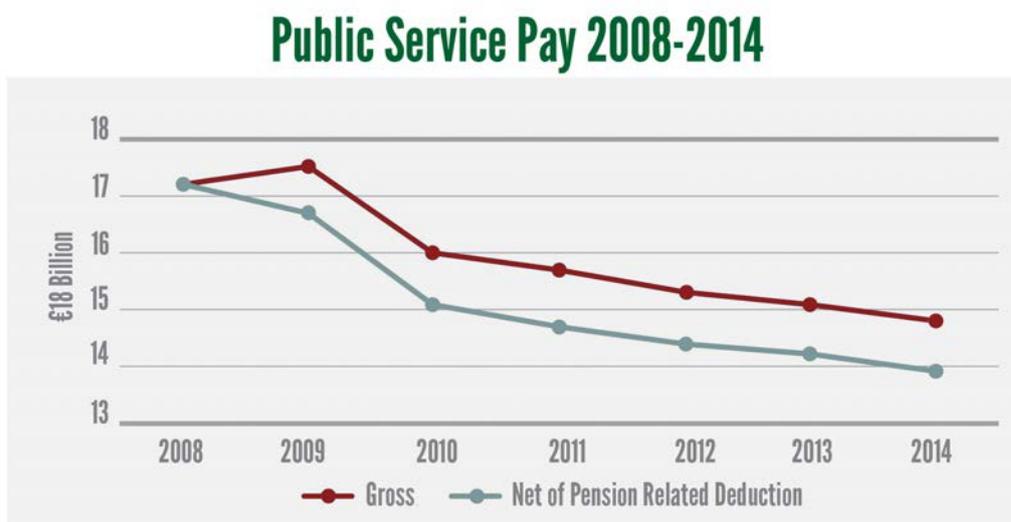
Our recommendations for change seek to build on the political and public sector reforms which have been introduced by the Government over the last few years.

- The Government's political reforms to date include a major overhaul of Local Government; a series of Bills to open up and make politics more accountable (including legislation on Freedom of Information, political funding and the registration of lobbyists); the establishment of a Constitutional Convention; and legislation requiring political parties to meet certain gender quotas.
- Major public sector reforms are being introduced by Minister Howlin and the Department of Public Expenditure and Reform (DPER), which was established in 2011, and by individual Ministers such as Frances Fitzgerald in Justice. The public pay bill has been reduced by roughly 20% while overall staffing levels have fallen by 10%. Significant progress has also been made in developing shared services and putting in place new accountability arrangements, aided by the hard work and commitment of so many civil and public servants.¹²

¹² DPER, Annual Progress Report on the Public Service Reform Plan 2014-2016, March 2015.



Figure 3: Significant Reductions in Public Sector Pay



Source: DPER, March 2015

Taken as a whole these changes represent one of the most significant programmes of government reform since the country joined the European Economic Community in 1973, and provide a very useful platform onto which further changes can be grafted.

Chapter 3 presents a range of proposals for opening up the political process to citizens. Most of the reforms introduced over the last few years have focused on improving the way in which politicians work. While this was clearly essential – and more both can and should be done – it is vital that citizen empowerment should also be a key goal of any future reform programme. Ireland, like many other European countries, has seen a long term decline of public trust in its political institutions.

Chapter 4 presents a range of recommendations to help ensure that Ireland's "permanent government" - its Civil Service and Public Sector - becomes as responsive as possible to the needs of citizens. It contains a series of proposals to open up these institutions to citizens, both with respect to policy development and service delivery. It also offers a series of recommendations which are designed to tackle one of the Public Sector's continuing weaknesses - its lack of capability in certain key areas including project implementation and digital technology.

SUMMARY RECOMMENDATIONS

Chapter 3 – Citizen Politics – looks at how the establishment of new structures and the reform of existing political institutions can allow citizens to play a much greater role in the government of both their state and their local community.

Its key recommendations are:

Recommendation 1: An Elected Seanad in a Reformed Oireachtas

Seanad Reform

- An elected Seanad, with voting held on the same day as Dáil elections, should be created as part of wider Oireachtas reform.

- 54 Senators would be elected by a mixed electoral system, while the remaining 6 Senators would be elected to two separate panels consisting of: i) Irish passport holders living in Northern Ireland, and citizens born in Ireland but residing abroad; and ii) Non-Irish residents.
- Our proposed Citizens Assembly should consider this and any other proposal for Seanad reform.
- The Seanad should become a hub for political innovation, particularly in the area of greater citizen engagement.
 - Citizens, assisted by the latest digital technology, should be able to participate in some of its debates and put questions directly to Ministers. This Open Seanad initiative, if successful, could be extended either in full or in part to the Dáil at a later date.

General Oireachtas Reform

- Non-Irish residents and Irish passport holders who either live overseas or in Northern Ireland should be allowed to vote in Presidential elections.
- There should be automatic registration of citizens once they reach the required age in order to facilitate voting by a greater number of people in all elections. This process should be overseen by the proposed new Electoral Commission to which the Government has committed.
- A Citizens-Initiative process should be included in legislation to establish a Citizens Assembly. A separate Petitions and Citizen Engagement Committee of the Oireachtas should also be established to help facilitate greater involvement by citizens in the work of both the Dáil and the Seanad.
- A Digital Democracy Commission, based on the UK model but with a wider remit, should consider among other things how online voting might be made a reality by 2021.
- The work of Oireachtas committees should be opened up and made more effective through the establishment of expert panels. The chairs of committees should also be allocated on a proportional basis.
- The Oireachtas should further open up its budget setting process. We support the establishment of an Independent Budget Office and propose the creation of a New Budget and Finance Committee.
- The Ceann Comhairle should become a non-partisan champion for opening up politics generally and the Dáil in particular, and should be elected either by a free or secret vote in the future.
- Free votes should be offered by all parties to members of the Oireachtas on so-called "life and death" issues and on the committee stage of all non-Money Bills.

Recommendation 2: New Structures with Greater Public Participation

- A *2016 Forum* should be created as part of the state's plans to mark the centenary of 1916. It should examine the major challenges facing Irish society over the next 20 to 30 years, such as the ageing of the Irish population, with a view to making recommendations which can command as much cross-party support as possible. It should report by the end of 2017 at the latest and several days of the Oireachtas' time should be set aside to debate its recommendations.
- The Government should establish a new Citizens Assembly by legislation to examine political and constitutional reform. It should:
 - Examine proposals for an elected Seanad during the period of the next Dáil and issue its report within 12 months (see Recommendation 1 above); and



- Reconvene every three to five years thereafter, each time with a different membership, to make recommendations on general constitutional and political reform, taking into account both the strengths and weaknesses of the recent Constitutional Convention process. Its period of work should last no more than 12 months at any one time.
- A new *Local Community Act* should be enacted which would give local citizens and their communities greater control over their own destinies. Among other things it should:
 - Mandate the use of Local Participatory Budgets in both urban and rural areas.
 - Contain a Community Right to Challenge provision. This would give CSOs and local authority employees the right to express an interest in taking over the running of a local authority service.
 - Contain a Community Right to Bid provision. This would give the local community the right to bid on assets which are offered for sale which are listed as having community value.
- New *Open Policy Platforms* should be established.
 - Policy makers should use a *CitizensLab*¹³ and a network of Citizen Juries to engage citizens directly in policy making.
 - Contestable Policy Funds should be developed whereby any willing and able provider, including CSOs, can bid for funding to develop policy.

Chapter 4 – Citizen Services – looks at how policy development and service delivery in Ireland can become much more effective and citizen focused.

Its key recommendations are:

Recommendation 3: More Commissioning with Increased Personalisation

- Government should move decisively towards commissioning more services.
 - An increasing proportion of public services should be commissioned from any willing and able provider, with CSOs playing a vital role. Ireland should seek to reach the OECD average for the commissioning of external services within the next decade.
 - We propose that a *Community and Social Value Act* be placed on the Statute book which would require public commissioning bodies to take into account both social and environmental benefits, as well as cost benefits, when awarding external contracts.
 - There should be a substantial increase in the commissioning skills of the Public Sector.
- Citizens and employees should be given a much greater sense of ownership through the establishment of Public Sector Mutuals / Cooperatives.
 - An *Incubator* to help facilitate the creation of Public Sector mutuals / cooperatives should be established.
 - A review of all state owned bodies should be undertaken to ascertain which organisations might be transformed into mutuals.

¹³ Essentially an innovation lab which feeds the views of citizens into the policy-making process.

- A series of measures should be introduced to help support community based organisations.
 - There should be a review of all regulation covering CSOs and community-based organisations, such as Credit Unions, to help ensure that the regulatory framework is neither overly burdensome nor overly prescriptive.
 - A *National Strategy for Volunteering* should be put in place. This strategy should focus on building a supportive environment in which individuals and organisations are enabled to work effectively together and with state organisations.
- There should be greater personalisation of services in order to give citizens much more control over their own destiny.
 - A system of *Personal Budgets* in social care, health and welfare should be established.

Recommendation 4: Responsive Policy Implementation and Agile IT

- Each department should publish an annual *Action Plan* with a specific implementation schedule and quarterly updates
 - These plans would include formal mechanisms for citizen consultation and engagement.
- A Programme for Government Delivery Unit (GDU) should be established within the Department of the Taoiseach, staffed with both internal employees and external expertise. It would be built around the current Programme for Government Office and liaise closely with the Programme Management Office within DPER. Each government department should also establish its own Programme Delivery Unit (PDU).
 - The heads of the GDU and the various PDUs would be accountable to the Oireachtas.
 - The GDU, working closely with DPER and other departments, should oversee the Government's highest risk and highest value Programme for Government projects / commitments.
 - Each PDU, as well as overseeing major projects in its area of competence, should provide ministers with a range of financial, project management and legal / drafting expertise. The PDU should also have its own operational budget which would allow it to commission necessary expertise and reports on a case by case basis.
- New legislation should be introduced to empower civil servants and ensure greater accountability:
 - The Ministers and Secretaries Acts and the Public Service Management Act should be amended to permit the delegation by a minister of specific ministerial powers to specific officers.
 - Civil Servants should be accountable to the Oireachtas for the exercise of these powers.
- A Public Services Remuneration Commission, staffed with independent experts, should also be established to advise Government on future developments in public sector pay and pensions, based on a credible and expert analysis of remuneration in the Irish private sector and in other public sector systems.
 - The Commission should include, in all of its recommendations, detailed and specific proposals for how productivity improvements can fund a significant proportion of future increases in public sector remuneration.
- Ireland should target a Top 5 position in eGovernment within a decade through the adoption of an Agile IT strategy



- The Public Sector should adopt a Digital by Default strategy to help ensure that citizens have the greatest access to services as possible. No new or redesigned transactional government services should be permitted which do not meet the relevant standards.
- Gov.ie should become a more effective *One Stop Shop* for citizens, supported by a range of user friendly Apps.
- A significant increase in digital capability should be a major priority, particularly in Health which should engage a commercial *Strategic Partner*.
- Ireland should partner with other countries who have relevant experience in the delivery of effective eGovernment.

PART 1: OVERVIEW



1. BEYOND POPULISM: EMPOWERING THE CITIZEN

*Explain it to me and I shall forget.
Show me how and I shall remember.
Involve me and I shall understand.
(Chinese Proverb)*

Europe is in the midst of a democratic crisis, driven by a significant breakdown of trust in traditional political institutions.¹⁴ The Autumn 2014 Eurobarometer survey suggests that only 29% of Europeans trust their national government, while the figure for national parliaments is 30%. The comparable statistics in September 2007 were 41% and 43%, respectively. Trust in the European Union in 2014 was somewhat higher at 37% - but still worryingly low.¹⁵

One of the most potent expressions of this crisis has been the rise of a more extreme form of politics across a wide range of European countries, including Ireland. While this approach to politics can be described in a number of different ways, the term *Populist* is used in much of the relevant academic literature. Populism has been defined as a *Them Versus Us* ideology, which seeks to pit a "virtuous and homogeneous people against a set of elites and dangerous 'others' who are together depicted as depriving (or attempting to deprive) the sovereign people of their rights, values, prosperity, identity, and voice".¹⁶ Populism, understood in this way, is an approach to politics which can be adapted by almost any political party, regardless of its underlying political philosophy.

A recent survey has divided European populist parties into two broad groupings.¹⁷ On the one hand, there are the right wing populist parties who made significant gains in the European elections of 2014, and which now enjoy political strength in several parliaments including Austria, Bulgaria, Denmark, Greece, Hungary, Latvia, the Netherlands and Sweden. More recently, the Front National in France secured 25% of the vote in its local elections, a figure also achieved by UKIP (the United Kingdom Independence Party) in the 2013 local elections in Britain. While UKIP's share of the vote dropped sharply in the recent General Election it is still the third biggest party in the UK by votes garnered.

Left wing populists have also experienced a significant degree of success. Syriza in Greece became the largest parliamentary grouping following the 2015 election, while the Five Star Movement became the largest single party in the Italian parliament in 2013. Populist left wing parties, like their right wing counterparts, also performed well in the 2014 European parliamentary elections. The Podemos party, for example, used those elections to break into mainstream Spanish politics and gained 15% support in the recent regional elections in Andalusia.

While there are, of course, significant differences between the various populist parties, and right wing populism was on the rise in Europe well before the current economic crisis, a number of general tendencies are visible:

First, European populist parties, like their Latin American equivalents, are very often reliant on a dominant leader whether it be Nigel Farage in the case of UKIP or Beppe Grillo in the case of Five Star. Populism, as has been noted, celebrates "the ordinariness of its constituents and the extraordinariness of their leaders".¹⁸ The authority and deference enjoyed by such leaders sits rather uncomfortably with the generally acknowledged need for greater openness and accountability across politics as a whole.

¹⁴ By trust we mean a general level of confidence that the interests of citizens will be attended to "even if the authorities were exposed to little supervision or scrutiny".

See Marta Kolczyńska, *Democracy and Trust*, paper prepared for the 4th ECPR Graduate conference, Bremen, 4-6 July, 2112.

¹⁵ European Commission, *Public Opinion in the European Union*, Autumn 2014.

¹⁶ Daniele Albertazzi, Duncan McDonnel, *Twenty-First Century Populism*, 2007.

¹⁷ Demos, *Populism and its Moral Siblings*, 2015. This report can be accessed at www.demos.co.uk.

¹⁸ Paul A. Taggart, *Populism*, 2000.

Second, populist parties tend to be divisive. Populism, whether it belongs to the right or the left or incorporates elements of both, is a “monist and moralist ideology” which “rejects the legitimacy of political opponents” and leads to a “polarised political culture”. It tends, as a result, “to get ugly when it gets into power.”¹⁹ The Guardian newspaper has identified one of the very negative consequences of this kind of politics: “In Europe’s north, insurgent populist parties blame socialism; in the south they blame capitalism. But they all blame foreigners, and that must be wrong.”²⁰

Third, populism is generally “uninterested in nuanced solutions to complex problems”.²¹ The tendency of populists to frame political debate in stark them versus us terms means that there is little appetite for compromise or for a more sophisticated analysis of the immense social and economic challenges facing Europe in the 21st century.

Recent analysis suggests that a significant percentage of those who vote for populist parties would be willing to support a less extreme form of politics.²² However, for this to happen mainstream parties must, as Enda Kenny has stated,²³ tackle the underlying reasons for the growth of populism. In particular, it must be recognised that populism is feeding in part on the legitimate anger of large sections of the European electorate. Many citizens feel let down by institutions which they regard as both distant and out of touch. At the same time the Great Recession has had a profound impact on the social and economic wellbeing of many individuals and their families.

European Governments need to do three things in response:

1. They should implement policies which will promote growth, increase employment and help build more just societies. The fact that Ireland is now the fastest growing economy in Europe, with unemployment dropping sharply, is a major positive in this regard;
2. They should also devolve more power to citizens and ensure that they are much more directly involved in the decision making process at both national and local level; and
3. Although this paper does not examine the institutions of the European Union it seems clear that there is a worrying drift between these institutions, on the one hand, and many of the citizens of Europe on the other hand.

Better Decisions – Improved Outcomes

The literature suggests very clearly that well-structured citizen engagement can lead to significantly better decision making and improved social outcomes.²⁴ In particular it can:

- **Generate increased levels of trust:** Several studies have shown that greater citizen engagement helps deliver increased levels of trust in institutions, even when controlling for other factors.²⁵
- **Facilitate the provision of more personalised services to citizens:** Improved access to information, increasing prosperity and greater social freedoms can help produce citizens who “are more assertive of their rights and less deferential to traditional forms of authority than before.” The challenge in future will be to develop the state “in a way which engages them in decisions and sets out their rights and responsibilities in an accessible and meaningful format. In particular, this will require a move away from the centrally dictated, top-down models we have seen up to now, and a move towards much more personalised agreements, tailored to the needs of individual citizens and professionals”;²⁶ and
- **Significantly improve outcomes.** The OECD has concluded that open and inclusive policy making can improve outcomes “by helping governments to:

¹⁹ Cas Mudde, *The Problem with Populism*, Guardian newspaper, 17 February 2015.

²⁰ Guardian editorial, 15 February 2015.

²¹ Marley Morris, *European Leaders Must be Wary of rising European Populism from both the Left and the Right*, 26 March 2012.

²² Demos, 2015.

²³ *Irish Times*, 23 January 2015.

²⁴ For an overview of the evidence see the RSA report: *From Fairy Tale to Reality – Dispelling the Myths around Citizen Engagement*, February 2013.

²⁵ Tiago Peixoto, *The Benefits of Citizen Engagement*, 24 November 2012.

²⁶ Social Market Foundation, *Assertive Citizens*, 2009.



- Better understand people's evolving needs, respond to greater diversity in society and address inequalities of voice and access to both policy making processes and public services.
- Leverage the information, ideas and resources held by businesses, CSOs and citizens as drivers for innovation to tackle complex policy challenges and improve the quality of public services.
- Lower costs and improve policy outcomes by galvanising people to take action in policy areas where success crucially depends upon changes in individuals' behaviour (e.g. public health, climate change).
- Reduce administrative burdens, compliance costs and the risk of conflict or delays during policy implementation and service delivery."²⁷

While the arguments in favour of greater citizen engagement are in our view persuasive, a number of possible objections can be made to the whole idea of greater participatory democracy in Ireland.

1. It can be argued that participatory democracy is not compatible with representative democracy. However, the Collins Institute believes that greater citizen engagement can, if appropriately developed and encouraged, help support Ireland's parliamentary system by increasing overall levels of trust. Ireland's system of representative democracy is, like that of many other countries, under significant pressure. The local elections of May 2014 saw the second lowest turnout of voters in the history of the state.
2. Critics of greater engagement often argue that citizens don't have the right skills and are simply not interested in participation. However, the Government's Constitutional Convention showed that citizens can, when given appropriate supports, tackle very complicated issues and come up with clear recommendations.²⁸ It should also not be forgotten that the collapse of the Celtic Tiger demonstrated conclusively that the "experts" can be as fallible as anyone else. The failure of key expert institutions such as the Central Bank, the Financial Regulator and the Department of Finance among others, to prevent the excesses of the banks was one of the key reasons for Ireland's economic collapse in 2008. It is also the case that almost all independent economists and major international institutions, such as the OECD and the International Monetary Fund (IMF), failed to predict the global financial crisis of 2008.
3. One of the most common objections to Participatory Democracy is that it is potentially too expensive. However, the available evidence suggests that the cost of engagement tends to be over-stated. Implemented properly greater citizen engagement can be accomplished within existing resources and uncover real cost savings. The evidence also suggests that the lack of appropriate engagement with citizens can significantly increase the likelihood that state-led projects will fail to be implemented on time and within budget.²⁹

The great majority of the proposals contained in this report can be managed within existing budgets. Extra investment will be required in areas such as IT and the establishment of new Delivery Offices. Commercial salaries will have to be paid to help ensure that people with the right expertise are attracted into these areas. However, such investment if made correctly will generate returns far in excess of any costs. New bodies such as the Citizens Assembly and the 2016 Forum will meet for specified time periods and should, based on the work of the Constitutional Convention, have relatively low overheads.

Ireland: Challenge and Opportunity

Ireland is in a potentially strong position to introduce reforms which will truly empower the citizen:

On the one hand, the Irish state has a long tradition of political moderation which allowed it to avoid much of the political extremism that disfigured many other European democracies during the 20th century. This history of

²⁷ Organisation for Economic Cooperation and Development (OECD), *Focus on Citizens*, 2009. See also Second OECD/Ford Foundation Workshop, *Changing the Conversation on Growth: Going Inclusive*, 27 February 2014 for a discussion of the relationship between economic growth and inclusiveness.

²⁸ For an overview of its work see the summary of David Farrell's presentation to UCL's Constitution Unit, *Deliberative Approaches to Political Reform*, 29 May 2014.

²⁹ RSA, 2013.

moderation may well provide more fertile and safer soil for political innovation than that provided by some other countries. Ireland's emergence from deep recession and the recent constitutional referendum on marriage equality, which largely avoided extremist rhetoric on both sides, also potentially provides a more positive environment in which to consider and implement political reform, compared to many other countries.

On the other hand, Ireland like other European countries has experienced a significant decline in trust across all key sectors of society, driven in particular by the economic collapse of 2008, which needs to be addressed directly. The 2015 Edelman Trust Barometer has placed Ireland second from bottom in a league table measuring levels of trust in 27 countries. While the Non-Governmental Organisation (NGO) sector remains the most trusted in Ireland with a positive rating of 48% – compared to 38% for business, 34% for media and 26% for Government (+5% over the last 12 months) – even the NGO sector has recorded a 10 point decrease in trust over the last year. The challenge for Ireland is clear:

"Ireland's post crisis recovery is dependent on both economic growth and institutional recovery. Despite improving economic sentiment this year's trust barometer Ireland findings highlight how Ireland remains a profoundly distrusting society."³⁰

Much of the Government's reform programme has been about restoring people's trust in the institutions of the state. This work, combined with the economic recovery, helps explain why trust in Government has improved by 5% over the last year (see above). Transparency International's Corruption Perceptions Index (CPI) for 2014 has also demonstrated an improvement in Ireland's position for the second year in a row. Ireland's score has improved from 72 to 74 out of 100, leaving it in 17th place out of 175 countries. In 2012 it was positioned in 25th place.³¹

While we believe that further reforms should be made to open up the state's institutions, a comprehensive survey from the OECD has shown that openness by itself is not enough. The process of government must also be made more inclusive:

"Openness, while necessary, is not sufficient to ensure inclusive public participation. Inclusion is important for reasons of efficacy and equity. Efficacy, because the true value of opening up policy making lies in obtaining a wider range of views (beyond the "usual suspects") as input for evidence-based decision-making. Equity, because defining the "public interest" in a democracy requires governments to make extra efforts to reach out to those who are least equipped for public participation (e.g. new citizens, youth)."³²

For various historical and cultural reasons Irish institutions have traditionally been very reluctant to engage with citizens, with the result that Ireland's state bodies tend to be both centralised and hierarchical. However, this command and control mindset is simply not compatible with any notion of a modern, citizen focused republic. Irish institutions need to reach out to citizens and devolve significantly greater power. The state needs, as Leo Varadkar has argued,³³ to demonstrate a much greater degree of trust in its citizens in the 21st century than was the case in the 20th century.

We also recognise, however, that a truly citizen-focused Just Republic will simply not be possible without active, informed and responsible citizens who are willing and able to take responsibility for themselves and their communities, and to contribute to the political process. If citizens are to become genuinely involved in public life and affairs, a more explicit approach to citizenship is required. While a certain concept of citizenship may be acquired through our individual experience in the home or at work, it can never in itself be sufficient to equip citizens for the kind of active role required of them in today's diverse society. A future paper on education will examine, among other things, the potential role of second and third level education in developing a more complex understanding of the role of citizens in a modern republic.

³⁰ Joe Carmody, MD, Edelman Ireland, 25 February 2015, www.edelman.ie. See also for details of its Barometer analysis.

³¹ Transparency International Ireland, *Ireland Improves on Corruption Perceptions Index*, 3 December 2014.

³² OECD, 2009.

³³ *Irish Times*, 23 July 2014.



2. TOWARDS A JUST REPUBLIC

Since the formation of the state three visions of the Republic have been presented to the Irish people:

- The dominant ideology of the state, for much of its history, envisaged a republic which was Catholic, Nationalist and Gaelic;
- A competing minority view held that the only true republic was some form of socialist workers' republic; and
- There have been at least three important moments in the last 50 years when Fine Gael's approach to public policy has been heavily influenced by republican ideas and concepts concerning the centrality of the citizen: 1. Its thinking on the *Just Society* in the 1960s; 2. The *Constitutional Crusade* of Garret Fitzgerald in the 1980s; and 3. Its more recent statements about a possible *New Republic* in Ireland (see below).

Although the first two versions of the Republic were clearly driven by very different underlying ideologies, they had one thing in common. Each offered a vision of an Ireland in which people were largely defined by identity. In the former people were defined largely by their cultural and national identity; in the latter a focus on class both was and remains its defining characteristic. The citizen, either as an individual or as part of a wider local community, was largely ignored as an active driver of decision-making within the state.

The Collins Institute believes that the Irish political system should move away from broad, identity based conceptions of democracy and work instead towards a more participatory form of politics. The principal goal of any Just Republic should be to create Powerful Citizens, i.e., fully empowered individuals who, with the right supports and capabilities, can exercise as much control over their own lives as possible, either as individuals or as part of families and wider communities.

FINE GAEL AND THE IRISH REPUBLIC

*"Before we were a Tiger we were a Republic."*³⁴ (Enda Kenny, 2009)

Fine Gael has traditionally been reluctant to use the language of the republic. This reluctance stems in large part from the historical association between Irish republicanism and violent nationalism. However, it also reflects a deep scepticism within the party about the kind of political republicanism practiced in Ireland. A republicanism which, Garret FitzGerald argued, had become "dominated by local and sectional interests within the Irish state" and, as a result, neglected "the common good of the people of Ireland as a whole."³⁵ A republicanism which had never, as Richard Bruton has stated, properly defined:

"the rights and duties of citizenship in Ireland. Too often we were willing to allow the EU do our thinking for us, as European decisions pushed out the boundaries of rights and duties. The institutions to protect citizens were never robust enough and were far too ready to succumb to the pressures of sectional interests."³⁶

It is important to recognise, however, that while Fine Gael has been reluctant to explicitly use the language of the republic, its actual policies and thinking have often been more classically republican than is generally understood.³⁷ Indeed, an analysis of Fine Gael's statements and policies over the last half century reveals at least three important moments in its history when its approach to public policy has been heavily influenced by republican ideas and

³⁴ MacGill summer school, 2009.

³⁵ Garret FitzGerald, *Vision and Values*, October 2006. Former Taoiseach and leader of Fine Gael.

³⁶ Richard Bruton, *Towards a Just Society*, 18 January 2011. Minister for Jobs, Enterprise and Innovation.

³⁷ See also Brian Hayes, *Fine Gael and Republicanism*, 16 October 2004. MEP and former Minister of State for Public Sector Reform and the Office of Public Works.

concepts. It also reveals a consistent line of thinking from Fine Gael on the purpose of any republic, namely, that it should give its people greater freedom to make their own choices in society, and should help its citizens enjoy real equality of opportunity.

The "Just Society"

In 1965 Fine Gael published a manifesto entitled *Towards a Just Society*, a document which the Minister for Foreign Affairs, Charlie Flanagan, has described as Fine Gael's "seminal equality and social justice policy."³⁸ The Just Society, which was largely the work of Declan Costello,³⁹ did not explicitly reference the idea of the Republic and was clearly influenced by Catholic social thinking. However, much of its actual analysis and language reflected classical republican thinking about liberty and equality. Essentially the document argued that the Irish state had failed since independence to create a society in which individuals could reach their full potential:

"Fundamentally we are concerned with making a reality of two concepts, freedom and equality. The economic conditions in which many people live would require an heroic effort of virtue (which society should not demand of them) to enable them to develop their full human personality. Again, equality of opportunity is, in contemporary Ireland, non-existent. We seek office to work towards a society in which freedom and equality are not concepts from an academic textbook but are expressed in real and tangible conditions which all our people can enjoy."

In the event Fine Gael was not elected to Government during the 1960s and the Just Society's specific proposals were not implemented. However, leading figures in later Fine Gael governments, including both Garret FitzGerald and John Bruton,⁴⁰ have identified the Just Society as a key source of inspiration. Indeed, the language of the Just Society can still be found in the statements of Fine Gael politicians today, 50 years later, even if some of its specific policy recommendations now look extremely dated.

The "Constitutional Crusade"

During Fine Gael's period in Government in the 1980s Garret FitzGerald launched what he called a "crusade" to open up and modernise Irish society. Although this initiative is usually described as FitzGerald's "constitutional crusade", he actually characterised it as a "republican crusade" in a key radio interview. "I want to lead a crusade", he stated, "a republican crusade to make this a genuine republic."⁴¹

FitzGerald presented his initiative as an essential step towards creating a more pluralist non-sectarian state in the Irish Republic, which would be more acceptable to the Unionist population of Northern Ireland. However, the introduction of legislation on contraception and the holding of a referendum on divorce were also designed to give citizens living in the Republic the right to make important choices in crucial areas of their own lives. The aim was to create, in other words, a genuinely citizen focused republic in Ireland.

The crusade was, not surprisingly, the subject of huge controversy, particularly after FitzGerald agreed to hold a referendum to insert a clause into the Constitution strengthening the legislative ban on abortion. However, its long term impact cannot be denied.

- The establishment of the New Ireland forum in 1983, which in turn led to the Anglo-Irish Agreement of 1985, began a process of engagement that eventually delivered the Good Friday peace agreement.
- The FitzGerald Government passed legislation on contraception. While the referendum on divorce was defeated, the Rainbow Government of the mid-90s, led by John Bruton, successfully completed that part of the crusade by winning a closely fought second referendum.

³⁸ Charlie Flanagan, *Dáil Éireann*, December 2009.

³⁹ Fine Gael TD and later Attorney General.

⁴⁰ Former Taoiseach and leader of Fine Gael

⁴¹ *RTÉ*, radio interview, November 1981.



The "New Republic"

In an important speech to the MacGill summer school in 2009, entitled a *New Politics for a New Society*, Enda Kenny argued passionately for major reform of Ireland's institutions, particularly its political system. It would not be possible, he argued, to create either a just society or a stronger economy without such reform. Significantly he chose to argue his case in clear republican language. With the death of the Celtic Tiger, he declared, the Irish people had to decide: "Who are we now? How do we now wish to define ourselves?"

"The answer for me is both simple and profound. Before we were a Tiger we were a Republic."

One year later, Fine Gael's *New Politics* document committed the party to the building of a "New Republic in Ireland - where trust is restored in our democratic institutions and the concerns of the Citizen, rather than the elites, are placed firmly at the centre of government." Both this document and Fine Gael's *Five Point Plan* for the 2011 election were heavily influenced by the idea of a republic which put the citizen first. The latter argued, for instance, that Ireland's "rigidly centralised system of government, designed in the 19th century to help control the 'little people', has in our view no place in a modern republic of equals."

The idea of a citizen focused republic has continued to influence Fine Gael's approach in Government. In his landmark 2011 response to the Cloyne report on clerical sexual abuse, for instance, Enda Kenny very deliberately asserted the primacy of the Republic and the duty of Government to protect its citizens, particularly its most vulnerable. This "is not Rome", he declared.

"This is the 'Republic' of Ireland 2011. A Republic of laws... of rights and responsibilities... of proper civic order... when it comes to the protection of the children of this State, the standards of conduct which the Church deems appropriate to itself, cannot and will not, be applied to the workings of democracy and civil society in this republic."⁴²

A later speech by James Reilly, Deputy Leader of Fine Gael, directly addressed the need for the party to reclaim the idea of the Republic:

"It is my belief that Fine Gael, and indeed all of us as citizens, must now reclaim the idea of the Republic from those parties and organisations who have sought to monopolise it in the past. The Republic cannot belong to any one group or section of society. It must belong to all of us - or it will end up belonging to none of us..."

I am very happy to be both a member of Fine Gael and a proud republican, in the truest sense of that word... We can and must give the Irish people the kind of citizen-focused Republic without which our nation cannot prosper."⁴³

The results of the recent referendum, which allows for the enactment of legislation for same-sex marriage, was in line with Fine Gael's thinking on the republic, with a clear focus on ensuring that all citizens are treated equally. Commenting on the referendum result, which saw 62% vote in favour of the proposition, Enda Kenny stated that it showed Ireland was "a small country with a big message about equality and equality of opportunity for love and law."⁴⁴

⁴² *Dáil Éireann*, July 2011.

⁴³ Speech at *MacGill summer school*, 2013.

⁴⁴ *Irish Examiner*, 25 May 2015.

SIX KEY PRINCIPLES

The Collins Institute has summarised some of the key strengths and weaknesses of Ireland's current model of politics. Our analysis focuses on the six key principles which our launch report argued should underpin the creation of a truly Just Republic in Ireland.⁴⁵ It suggests that while the Irish system of politics and government has some very real strengths, it fails to embody these principles in a number of important ways.

Principle 1. Freedom⁴⁶

There are three vital aspects to political freedom in any republic:

- **Protection:** Citizens' basic political rights must be guaranteed.
- **Access:** Citizens should be able to easily access the state's political and public administration systems; and
- **Participation:** Citizens should be able to participate fully in the democratic process, both at election time and between elections.

Strengths

- The Irish Constitution very clearly guarantees core political rights while Irish citizens have very good access to their political representatives compared to many other countries.
- The Government's decision to establish a Constitutional Convention, with most of its members selected at random from the general population, was one of the first efforts in the history of the state to actively involve individual citizens - as distinct from various groups and organisations - directly in the decision-making process.

Weaknesses

- The state's system of government gives individual citizens few opportunities to participate in the running of their own democracy between elections, with the very important exception of constitutional referendums.
- While the efficiency of the Public Sector has improved substantially over the last few years, Ireland's centralised system of public administration means it is often very difficult for citizens to access key information and services.

OUR PROPOSALS

- Chapter 3 contains a range of proposals to facilitate much greater citizen participation in the political process.
- Chapter 4 examines how citizens can also play a more central role in both policy design and service delivery.

Principle 2. Equality

Political equality is about ensuring that all citizens have the necessary supports and capabilities necessary to allow them to participate in the government of their country on an equal basis, should they choose to do so.

Strengths

- Ireland's electoral system of proportional representation ensures that everyone's vote counts equally. The Government has also introduced legislation to help make certain that at least 30% of party candidates

⁴⁵ The Institute's launch document - *The Just Republic* (December, 2014) - can be accessed at www.collinsinstitute.ie.

⁴⁶ Paschal Donohoe, Minister for Transport Tourism and Sport, has also examined what national Freedom means in an increasingly globalised world. See *Economic Sovereignty and Our National Question, Studies*, Spring 2013



standing at the next election are female, in order to address the severe under-representation of women in politics.

- A series of measures have been introduced over the last few years to decrease the risk of vested interests having undue influence on policy making compared to individual citizens, including the effective elimination of corporate political donations and a register of lobbyists.

Weaknesses

- While Ireland's Single Transferable Vote system of proportional representation helps ensure that everyone's vote counts, it also facilitates the overly powerful and largely negative influence of clientelism in Irish politics. STV encourages politicians from the same party to compete with each other by emphasising local issues and their history of service to constituents.
- A significantly smaller proportion of younger people and individuals from lower socio-economic groups vote in Irish elections compared to older and higher income voters. There is also no mechanism in place by which the voice of Ireland's diaspora can be heard in Irish elections.

OUR PROPOSALS

- The Constitutional Convention discussed reform of the voting system, but only in an abbreviated form. We recommend that possible changes to the voting system – including measures to ensure greater voter participation from under-represented sections of Irish society – should be a key focus for the proposed Citizens Assembly.
- Ireland's clientelist political culture is driven, in significant part, by the difficulty which citizens often face in accessing services on a timely and personalised basis. For this reason Chapter 4 looks at how citizens can play a much greater role in policy making and the delivery of public services.

Principle 3. Solidarity

While political equality is about equal treatment for individual citizens in the political process, political solidarity is about recognising the positive role which civic society generally and local communities in particular can play in the decision-making process of government.

Strengths

- In 2012 Ireland ratified the Aarhus Convention, which lays down a set of basic rules to, among other things, promote citizens' involvement in environmental matters.⁴⁷ In May 2014 the Government also published its first Draft Open Government Partnership⁴⁸ National Action Plan (NAP), after a consultation process with CSOs.⁴⁹ The NAP outlines a series of actions to open up government, based around the core principles of Accountability, Citizen Participation, Technology and Innovation, and Transparency. A Civil Society Forum was established in January 2014 and played an important role in developing the NAP.⁵⁰
- Public Participation Networks (PPNs) have been established in every local authority area as part of a major reform of Local Government, based on the recommendations of the *Working Group Report on Citizen Engagement with Local Government*.⁵¹ The PPNs are made up of representatives of community and voluntary, social inclusion and environmental groups and have nominating rights to a range of local authority committees.

⁴⁷ See <http://www.environ.ie/en/Environment/AarhusConvention/#>. It is built on three major pillars: Access to Information, Public Participation in Decision-Making and Access to Justice.

⁴⁸ The OGP was launched in 2011 and is intended to provide an international platform for countries committed to making their government more open and accountable.

⁴⁹ Transparency International, *Report of a Consultation with Civil Society Representatives and Citizens on Ireland's Participation in OGP*, 1 October 2013.

⁵⁰ See <http://www.ogpireland.ie/national-action-plan/>.

⁵¹ This report can be found at <http://www.socialjustice.ie/sites/default/files/attach/policy-issue-article/3222/2014-02-28-workinggroupreport-published-final01.pdf>.

Weaknesses

- Ireland's experience of Social Partnership⁵² has been extremely problematic. While Partnership in the late 1980s/1990s undoubtedly played a positive role, it subsequently mutated into an over centralised, top down model which a previous Fianna Fail Minister for Finance, Brian Lenihan, acknowledged did "enormous damage" to the country's financial system.⁵³ It has been criticised, in particular, as a mechanism which protected the interest of "insiders" rather than the common good and effectively side-lined the Dáil.⁵⁴ It became, in effect, the dominant ideology of the Celtic Tiger.
- Local communities have little or no say in how relevant budgets are allocated.

OUR PROPOSALS

- This report contains a series proposals for how a decentralised process of social consultation, such as Citizen Juries, might be rolled out.
- This report also contains a recommendation for the implementation of a Local Community Act to give local communities more power, including the rollout of Participatory Budgets.

Principle 4. Accountability

An accountable political system is one in which decisions can be contested and those in power must answer directly to citizens.

Strengths

- The Government has introduced several new pieces of legislation on political funding, the registration of lobbyists and the protection of whistleblowers, all of which are designed to improve accountability within Ireland's system of politics and government. The *Seventh Report of the Convention on the Constitution: Dáil Reform* has also noted that recent reforms "particularly in respect of the pre-legislative scrutiny, have proved positive for both members and the citizens who elect them."⁵⁵
- The Government has published a Civil Service Renewal Plan which contains several measures to improve overall accountability, including the establishment of an Accountability Board chaired by the Taoiseach.⁵⁶

Weaknesses

- The Dáil's ability to hold the Government to account, while improved, needs to be strengthened further.⁵⁷
- The relationship between Ministers and civil servants, as defined in legislation, "is insufficiently clear about roles and responsibilities."⁵⁸

OUR PROPOSALS

- This report contains a number of recommendations to make the Dáil and Seanad more inclusive while, at the same time, strengthening their ability to hold the Executive to account, e.g., through the more frequent use of non-whipped, free votes.
- Chapter 4 contains proposals which would redefine the relationship between ministers and civil servants.

⁵² Social Partnership is the term used for the national pay agreements reached in Ireland, starting in 1987, between the Government, the main employer groups and the trade unions. Since 1997 voluntary/community organisations have taken part in the general policy discussions but not in the wage bargaining element.

⁵³ Quoted in *Irish Examiner*, 15 December 2010.

⁵⁴ See, for instance, Dan O'Brien, *Irish Times*, 6 March 2015.

⁵⁵ March 2014.

⁵⁶ <http://www.per.gov.ie/civil-service-renewal/>. 30 October 2014.

⁵⁷ See Muiris MacCarthaigh, *Irish Independent*, 22 July 2013.

⁵⁸ IPA, *Civil Service Accountability: Challenge and Change*, January 2014.



Principle 5. Sustainability

Sustainability is about creating a political system which is focused on addressing Ireland's long term challenges.

Strengths

- The Government has put in place a number of measures to ensure that many of the mistakes of the Celtic Tiger will not be repeated, including the establishment of an independent Fiscal Advisory Council and significantly strengthened roles for the Financial Regulator and the Central Bank.
- Various EU rules and Directives now require Ireland and the other member states to meet specific deficit targets and put in place medium-term budgetary frameworks.⁵⁹

Weaknesses

- The opposition of certain parties and groups to the very principle of water and property charges suggests an unwillingness, in several parts of the political system, to adopt the kind of sustainable revenue generating policies which are regarded as essential in other OECD states.
- One of the major criticisms of the Celtic Tiger is that not enough was done to tackle long term problems in areas such as health and social welfare while the state's finances were strong.

OUR PROPOSALS

- We argue for a further opening up Ireland's budget setting process.
- Chapter 3 recommends that a 2016 Forum should be established to examine the long term challenges facing Ireland.

Principle 6. Subsidiarity

Political subsidiarity is about devolving power from the state to the citizen and ensuring that the power which the state retains is devolved downwards as much as possible.

Strengths

- The Government has introduced a major reform of Local Government.
- The establishment of hospital groups is potentially a major step in decentralising Ireland's hugely centralised health system.

Weaknesses

- Ireland makes little or no use of specific citizen engagement initiatives at local level.
- The Public Sector does not do enough to provide citizens with the kind of "user-driven services" and "individualised budgets" recommended by Ireland's Institute of Public Administration.⁶⁰

OUR PROPOSALS

- This report makes a number of specific recommendations with respect to the possible future use of citizen focused models of government such as Participatory Budgets and Citizen Juries.
- Chapter 4 argues for the rollout of personal budgets in a number of key services.

⁵⁹ See Department of Finance, *Medium Term Budgetary Framework*, July 2014.

⁶⁰ IPA, *Fit for Purpose?* June 2013.

PART 2: RECOMMENDATIONS



3. CITIZEN POLITICS

Over the last 25 years the Internet revolution has put a world of data and opinion literally at people's fingertips. This digital revolution has, according to the Speaker of the UK House of Commons:

"disrupted old certainties and challenged representative democracy at its very heart. With social media sources such as Twitter, blogs and 24/7 media, the citizen has more sources of information than ever before, yet citizens appear to operate at a considerable distance from their representatives and appear 'disengaged' from democratic processes."⁶¹

This sense of disengagement has encouraged the growth of what has been called "anti-politics" in the UK and other developed countries.⁶² At its best anti-politics is about looking for new ways to engage citizens in decision making by way of non-traditional political means.⁶³ At its worst it is little more than an angry and, at times, incoherent populism which is oppositional in nature, divisive in rhetoric and opportunistic in policy.

Perhaps the best ways to respond to this kind of negativity and cynicism is to make politics as inclusive as possible. This chapter examines various ways in which this might be accomplished, thereby giving Irish people a much greater sense of ownership in their democracy. Our proposals for change seek to build on the reforms which have been introduced by the Government over the last few years. These include significant reform of Local Government, a series of Bills to open up and make politics more accountable (including legislation on Freedom of Information, political funding and the registration of lobbyists); and Ireland's first piece of legislation requiring political parties to meet certain gender quotas. Our recommendations include proposals for:

- An elected Seanad;
- A wider franchise for Seanad and Presidential elections to include non-Irish residents, people born in Ireland but living abroad and passport holders living in Northern Ireland; and
- A series of reforms which are designed to open up the Oireachtas to greater citizen participation and to give its members more freedom and greater expertise.

61 Quoted in Digital Democracy Commission report, *Open Up*, 26 January 2015.

62 Policy Network, *Why 'Anti-Politics is not a Myth*, 28 October 2014.

63 See, for instance, James Ferguson, *The Anti-Politics Machine*, 1990.

RECOMMENDATION 1: AN ELECTED SEANAD IN A REFORMED OIREACHTAS

Summary of Recommendations

Seanad Reform

- An elected Seanad, with voting held on the same day as Dáil elections, should be created as part of wider Oireachtas reform.
- 54 Senators would be elected by a mixed electoral system, while the remaining 6 Senators would be elected to two separate panels consisting of: i) Irish passport holders living in Northern Ireland, and citizens born in Ireland but residing abroad; and ii) Non-Irish residents.
- Our proposed Citizens Assembly should consider this and any other proposal for Seanad reform.
- The Seanad should become a hub for political innovation, particularly in the area of greater citizen engagement.
 - Citizens, assisted by the latest digital technology, should be able to participate in some of its debates and put questions directly to Ministers. This Open Seanad initiative, if successful, could be extended either in full or in part to the Dáil at a later date.

General Oireachtas Reform

- Non-Irish residents and Irish passport holders who either live overseas or in Northern Ireland should be allowed to vote in Presidential elections.
- There should be automatic registration of citizens once they reach the required age in order to facilitate voting by a greater number of people in all elections. This process should be overseen by the proposed new Electoral Commission to which the Government has committed.
- A Citizens-Initiative process should be included in legislation to establish a Citizens Assembly. A separate Petitions and Citizen Engagement Committee of the Oireachtas should be established in order to help facilitate greater involvement by citizens in the work of both the Dáil and the Seanad.
- A Digital Democracy Commission, based on the UK model but with a wider remit, should consider how online voting could be made a reality by 2021.
- The work of Oireachtas committees should be opened up and made more effective through the establishment of expert panels. The chairs of committees should also be allocated on a proportional basis.
- The Oireachtas should further open up its budget setting process. We support the establishment of an Independent Budget Office and propose the creation of a New Budget and Finance Committee.
- The Ceann Comhairle should become a non-partisan champion for opening up politics generally and the Dáil in particular, and should be elected either by a free or secret vote in the future.
- Free votes should be offered by all parties to members of the Oireachtas on so called "life and death" issues and on the committee stage of all non-Money Bills.



AN ELECTED SEANAD

The 2013 referendum on the Seanad's abolition made two things clear:

- A majority of the Irish people want to retain the Seanad as a second chamber of the Oireachtas; and
- Even those who favour its retention accept that it needs reform.

The Existing Seanad: Powers and Composition

The Seanad's existing powers are extremely limited and mostly relate to legislation. While a Bill may start life in either the Dáil or the Seanad the vast majority of them originate from the Government and are passed by the Dáil first. They are then sent to the Seanad for debate and consideration. The Seanad may propose amendments, reject or pass a Bill within 90 days. Crucially, however, the Dáil has the power to over-ride the Seanad's rejection of a Bill. The Seanad's powers in relation to Bills for government spending (Money Bills) are also very restricted. These Bills cannot start life in the Seanad - they must come from the Dáil. Moreover, the Seanad has only 21 days to consider a Money Bill and cannot make amendments to it.

The Seanad currently consists of 60 members:

- 11 are nominated by the Taoiseach;
- 6 are elected by the graduates of two universities: three each by the National University of Ireland and the University of Dublin (Trinity College); and
- 43 are elected by five panels representing vocational interests by an electorate consisting of TDs from the incoming Dáil, Senators from the outgoing Seanad, and Local Councillors: Culture and Education; Agriculture; Labour; Industry and Commerce; and Public Administration.

Two questions arise:

- Should the Seanad's powers be increased in a significant way? Our answer is NO: It is essential, in order to avoid political gridlock, that the Dáil remains the dominant chamber in the Oireachtas. Any major reforms with respect to the powers of the Oireachtas should focus on the Dáil.
- Should the method of electing the Seanad be reformed? Our answer is YES: It should be elected using a mixed system.

A Reformed Seanad

The recent report of the Working Group on Seanad Reform has made a number of recommendations for change. Many of its proposals with respect to the work that a reformed Seanad might undertake have significant merit and should be implemented. The report also argues that the majority of Senators should be elected by popular vote.⁶⁴ However, the work of the Group in this regard was constrained by its terms of reference which stated that its proposals should not involve constitutional reform.

Our proposals, by contrast, propose constitutional change. We propose that a constitutional referendum should be held during the next Oireachtas which would allow for the election of 54 Senators through a mixed electoral system. In addition we propose that the 6 Senators currently elected by graduates – either living in Ireland or living abroad - to a separate panel should be elected in the following manner instead:

- 3 Senators should be elected by Irish passport holders who either live in Northern Ireland or who live abroad but were born in Ireland; and

⁶⁴ Report of the Working Group on Seanad Reform, 2015.

- 3 Senators should be elected by non-Irish residents who can already vote in Local or European elections.

We fully acknowledge that the Senators elected by the University graduates have been some of the most vocal and effective members of the Seanad. However, even accepting this fact, it is simply not democratically acceptable for graduates to have a privileged position in elections compared to non-graduates.

A Mixed Electoral System

There are two principal arguments against an elected Seanad:

1. That it would simply reflect the Dáil, thereby undermining its value as a second chamber with something unique to offer; and
2. There is a real risk of conflict between the two houses if the Government commanded a majority in the Dáil but did not do so in the Seanad.

The framers of the Constitution were very aware of these issues and created a Seanad where:

1. The majority of Senators were elected by a very different system than the Dáil. The hope was that this would lead to a Seanad which did not reflect the Dáil in its composition; and
2. The Government was given an automatic majority through the Taoiseach's 11 nominees.

The reality, however, is that the Seanad has largely reflected the composition of the Dáil since its inception, even though it excludes the great majority of citizens from the electoral process. In theory, "Seanad Éireann does not recognise party affiliations."

"However, as the electorate for the panels is made up of the Members of the incoming Dáil, the outgoing Seanad, county councils and county borough councils, the composition of Seanad Éireann, including the Taoiseach's nominees, will tend to reflect party strengths in Dáil Éireann. In practice, Senators will divide into groups supporting and opposing Government business when voting on issues."⁶⁵

Our proposed reforms would involve the introduction of a mixed electoral system. Under our model the majority of Senators would be elected through PR-STV. This would give the Seanad the democratic legitimacy it simply does not have presently. We also suggest that large Euro constituencies should be used instead of the smaller Dáil constituencies, to reduce the pressure on Senators to engage in local clientelist politics and to make the second house more regionally based.

There is real risk however, particularly in closely fought elections, that a Government could end up commanding a majority in the Dáil – but command only a minority in the Seanad. Yet both houses could claim that they had a democratic mandate. For this reason we believe that a minority of Senators should also be elected on a party list basis. For instance, 40 Senators could be elected through PR-STV with a further 14 selected from party lists (the remaining 6 would be elected from a special panel – see below). Effectively the party lists, which would be published before the Seanad election, would replace the current system of Taoiseach's nominees.

The party lists would serve two purposes:

- They would allow parties to nominate individuals for the Seanad with expertise and varied backgrounds, who might otherwise not be prepared to run for elections. We believe that a set of criteria should be published which the candidates on such a list would have to meet. Moreover, people on the list would not be allowed to run for the Dáil at the same time; and

⁶⁵ <http://www.oireachtas.ie/parliament/tdssenators/>



- It would help ensure that any new Government commanded a majority in the Seanad. The Government parties would be allocated the majority of the list Senators, so that they commanded a majority in the Seanad. Remaining list Senators would be redistributed among opposition parties, according to their overall first preference vote in the Seanad election

A similar-type mixed system is used in the German Bundestag while the Dutch use a list system for their second house. As always with such proposals the devil would be in the detail. For this reason we suggest that the Citizens Assembly should be asked to examine this and other proposals for Seanad reform and to come back to the Oireachtas with detailed recommendations.

New Voices

The Government recently published the first state commissioned strategy for the diaspora. The plan contains a wide range of proposals for reaching out to the diaspora, while a Global Irish Civic Forum has recently been held in Dublin. The launch of this new and very welcome strategy suggests that now would also be a very good time in which to tackle the issue of how the voice of the diaspora can be properly heard in Ireland's political system.

The Working Group has proposed that all holders of Irish passports living outside the country and those living in Northern Ireland should be allowed to vote for their choice of Senator in all of the Seanad's existing national panels. Concern has been expressed, however, about the very large number of people who are living outside Ireland but are entitled to an Irish passport. While only a minority might actually vote in a future Seanad election, the votes of even a small percentage of those so entitled could still have a profound impact on the makeup of the Seanad and the work that it undertakes. This is despite the fact that Irish passport holders living outside Ireland would not be directly subject to any of its decisions – including taxation measures.

On the other hand, we believe it is absolutely reasonable for Irish passport holders living in Northern Ireland, and for people who were born in Ireland but have now emigrated, to have some direct representation in our parliamentary process, so that their concerns can be heard in debate. We also believe that the significant number of non-Irish residents, who are entitled to vote on Local and European elections, should also have the opportunity to directly elect Senators who can articulate their concerns and protect their interests.

An Open Seanad

The Working Group on Seanad reform has outlined a number of modest proposals to help give the Seanad a more extensive role.⁶⁶ We propose that the Seanad should also become a hub for political innovation in the Oireachtas, particularly in the area of greater citizen engagement. Citizens, assisted by the latest digital technology, should be able to participate in some of its debates and put questions directly to Ministers. This initiative, if successful, could be extended either in full or in part to the Dáil at a later date.

⁶⁶ Report of the Working Group on Seanad Reform, 2015.

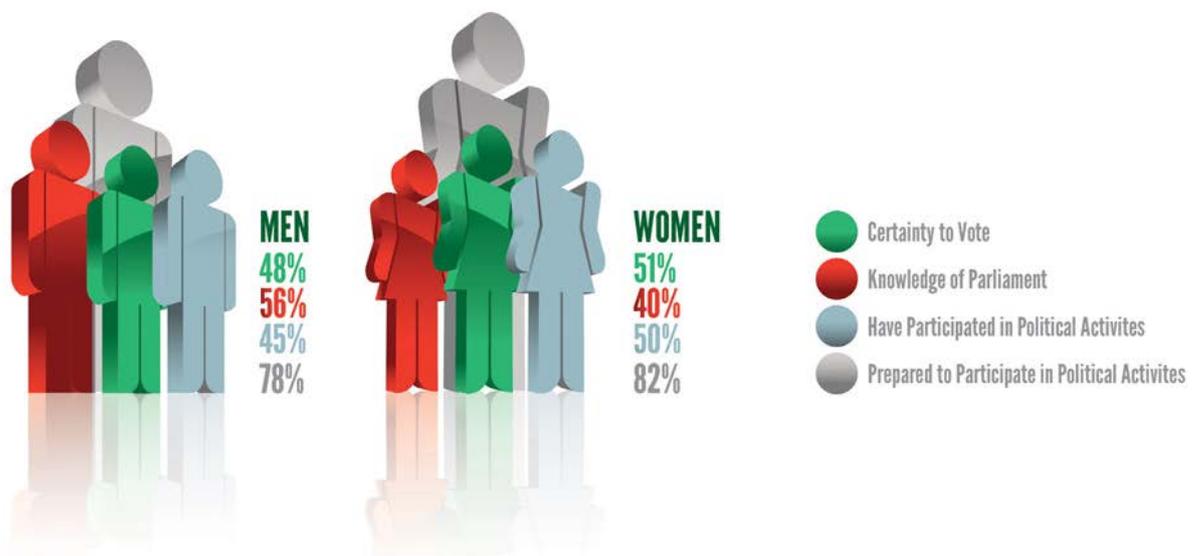
A REFORMED OIREACHTAS

A recent analysis of the House of Commons in the U.K. has identified a number of reasons for a growing disconnect between people and parliament. These include:

- A lack of understanding about politics and parliament;
- Jargon and unclear language;
- Difficulty finding information about parliament and its activities;
- A feeling that parliament is not relevant;
- A feeling that participating will be pointless and that politicians do not listen; and
- A lack of opportunity to be involved with parliament.

Figure 4 below shows that while there is a significant willingness to participate in politics basic knowledge of parliament is lacking, particularly among women.⁶⁷

Figure 4: A Significant Willingness to Participate



Source: UK Digital Democracy Commission

It is likely, in our view, that a similar-type analysis in Ireland would identify the same kind of barriers between the people and their parliament. While reform of the Oireachtas to date has largely focused on making it both more productive and gender balanced, future reform should help open it up to citizens and improve its ability to hold the Executive to account. For instance:

- There should be automatic registration of citizens once they reach the required age.⁶⁸ Each citizen should be formally notified of registration. This process should be overseen by the proposed new Electoral Commission.
- We agree with the Constitutional Convention’s proposal that citizens abroad and those living in Northern Ireland should be able to participate in future presidential elections. It makes considerable sense for

⁶⁷ See report of the Speaker's Digital Democracy Commission, *ibid.*

⁶⁸ Other countries, such as Australia, also hold formal Citizenship Days to celebrate the idea of citizenship.



the President, as head of state, to represent all Irish people – particularly given that most of his / her functions are ceremonial rather than legislative.

A Digital Democracy Commission

Over the past 25 years major claims have been made about the way in which technology would transform the political system in developed democracies. However, while it is clear that digital technology has played a huge role in the politics of many developing countries – social media was hugely influential (both positively and negatively) in the Arab Spring,⁶⁹ for example - a 2013 review has concluded that its impact on politics within developed nations has been relatively limited.⁷⁰

While it is clear that digital technology will not, by itself, significantly change the way in which politics operates, it can make a modest but positive contribution to rebuilding trust in the institutions of government by increasing access. In order to accelerate this process we recommend that a Digital Democracy Commission be established as part of an overall eGovernment strategy. The Commission should be based on the UK model, which was set up by the Speaker of the House of Commons to look at the work of that chamber, but with a remit which includes both the Oireachtas and Local Government. Areas of focus should include:

- Measures to support both our proposed Open Seanad initiative and the new Petitions and Citizen Engagement Committee.
- Measures to make Local Government more accessible to citizens.⁷¹
- A new system to allow citizens the opportunity to vote online in all elections by 2021.

The last proposal may well be the most controversial, particularly given the failure of Ireland's experiment with electronic voting machines.⁷² For this reason the Commission should be asked to consider whether it is possible to create an online system which is both secure and convenient. A fully secure system which is so inconvenient that few if any use it would not make sense. Likewise an easy to use system of voting which is not secure would be unacceptable. Any proposal must also be fully costed.

Open Committees

The work of Oireachtas committees should be opened up and made more effective through the establishment of expert panels. Independent experts would be allowed to participate in the work of committees, ask questions of those appearing before committees – but would not have a vote. The chairs of all of these committees should also be distributed on a proportional basis, to help ensure that they can effectively hold the Government to account. We also recommend that:

- The Government should use the European Semester process to further open up its budget setting process.⁷³ In particular, this report supports the proposal from the Institute for International and Economic Affairs that a Dáil Budget Committee should be established. We suggest that a new Finance and Budget Committee be established. We also support the establishment of an Independent Budget Office which would allow for an independent costing of policy proposals.
- A separate Petitions and Citizen Engagement Committee of the Oireachtas should be established in order to help facilitate greater involvement by citizens in the work of both the Dáil and the Seanad. In particular, it should consider ways in which the Oireachtas can better reach out to groups of citizens who tend to vote in lower numbers at election time, e.g., younger and disadvantaged citizens.

69 See Andrew Lam blog, *From Arab Spring to Autumn Rage: The Dark Power of Social Media*, 14 September 2012.

70 Jam A.G.M. van Dijk, *Digital Democracy: Vision and Reality*, 2013.

71 See, for instance, Vanessa Liston, *Voice or Vote?* 10 April 2015, on politicalreform.ie.

72 The Fianna Fail / Progressive Democrat Government originally agreed to buy eVoting machines for €50 million. They were piloted in a number of constituencies in the 2002 General Election and the Nice referendum, but were subsequently scrapped after a number of problems were uncovered.

73 The European Semester sets out a new, common framework for national budgetary processes. It is currently being applied for the third time and is backed up by other provisions including the Treaty on Stability, Coordination and Governance (TSCG), provisions on the preparation of budgetary frameworks and provisions on the surveillance of Member States in bail-out programme. See the Institute for International and Economic Affairs, *Democratic Legitimacy and Accountability*, 2013.

A Citizens-Initiative

Many who argue for greater citizen involvement believe that more use should be made of direct democracy, with laws decided by a general vote of the people rather than by majority vote in a representative parliament. There are, however, a number of potentially major problems with direct plebiscitary democracy:

- First, it is extremely susceptible to manipulation by those who have substantial amounts of money or organisational power. Large organisations or well financed interest groups would potentially be in a very strong position to collect signatures as part of an initiative process, for instance.
- Second, experience in other jurisdictions suggests that "statutes put to the general population for consideration are routinely drafted in ways that citizens cannot understand — sometimes benignly, sometimes subversively."
- Third, those who vote in ballot measure elections tend to be "older, more educated, richer, and more ideological than the general population."
- Finally, "substantial empirical evidence shows that people change their minds about many policy matters when they have had an opportunity to reflect on an issue by reading material about the issue and discussing it with their fellow citizens and policy experts."⁷⁴

For all of these reasons, the Collins Institute is of the strong view that politics in any modern republic should be built around the idea of deliberation and participation, i.e., decision making which is made after a process of consultation and debate involving both citizens and their representatives. The Government's decision that there will be pre-legislative scrutiny of Bills has already created a mechanism by which citizens generally and CSOs, in particular, can influence the legislative process.

We propose that a second mechanism be created which would allow civil society to have a role in the initiation of legislation. Under our proposal citizens would be able to ask the Government to propose legislation in a particular area provided that it has the backing of, say, 100,000 signatures (collected either on paper and / or online). Within 4 months after receiving the Initiative:

- Government representatives would meet with the organisers of the petition;
- Organisers would be able to present their case before an Oireachtas committee of their choice; and
- The Government would be obliged to give a formal response, stating what action it plans to take with respect to the proposal (if any) and the reasons for its decisions. We propose that the Citizens-Initiative be included in any legislation to establish a Citizens Assembly.

Free Votes

Party whip systems are used, with varying degrees of strictness, in all parliamentary democracies. Indeed, as many analysts have pointed out, parliamentary democracy would simply not be possible without some degree of party discipline.⁷⁵ The real question, therefore, is what should be the balance between party discipline, on the one hand, and the need to allow parliament to hold the Executive to account, on the other hand.⁷⁶

Ireland has, as had been often noted, one of the strictest party whip systems in the developed world. In part, this is a matter of tradition and a response to the power of clientelism in Irish politics. But it is also a reflection of the fact that the Dáil's STV voting system can often give rise to coalition governments with very small majorities, thereby making party discipline absolutely essential.

⁷⁴ Ethan J Leib, *Can Direct Democracy be Made Deliberative?* Buffalo Law Review, 2006.

⁷⁵ The US Congress does not have a whip system. However, this is mainly due to the fact that its system of government is presidential rather than parliamentary. One of the downsides of free votes in the US congress is the prevalence of what has been called "pork barrel" politics, namely, Senators and Representatives using their votes to include provisions in Bills which specifically benefit their constituents. In addition, the lack of a whip system has it has been argued significantly increased the power of lobbyists and their money. (Various posts on this issue by prominent Irish academics can be found on politicalreform.ie).

⁷⁶ A survey of Fine Gael TD's, conducted by Deputy Eoghan Murphy, found that 74% favoured loosening the whip system, *Irish Times*, 13 January 2015



The argument is frequently made that Oireachtas members should be allowed free votes on issues of conscience. But the question of what constitutes an issue of conscience is an extremely complex one. What may be a matter of conscience for one member may not be a matter of conscience for another. While there is no perfect answer to this question our conclusions are as follows:

- The Ceann Comhairle should become a non-partisan champion for opening up politics generally and the Dáil in particular. The Ceann Comhairle's potential role in this regard would be significantly enhanced if he or she was elected either by a free or secret vote in the future.
- All political parties should consider removing the whip from Oireachtas votes on so-called "life and death" issues – abortion and euthanasia being the most obvious examples.
- The whip should also be removed from the Committee stage on all non-Money Bills.

This Committee stage of a Bill is largely devoted to consideration of detailed amendments. Government members of the Oireachtas would almost certainly continue to vote down amendments which were against the principle of the Bill, particularly as they would know that the Government could reverse any such amendment at Report stage. However, TDs and Senators should be free to vote on detailed amendments which could potentially improve individual pieces of legislation without undermining their basic principles.

IMPLEMENTATION

Proposal: An elected Seanad

- The proposed Citizens Assembly should be established on an administrative basis within the first 6 months of a new Government coming into office, in order to examine proposals for an elected Seanad. It should issue its report within 12 months.
- A referendum on Seanad reform should be held by the end of 2019 at the latest.

Proposal: Widening the franchise for Presidential elections

- A referendum to allow non-Irish residents and Irish passport holders who either live overseas, or in Northern Ireland, to vote in Presidential elections should be held at the same time as the Seanad referendum.

Proposal: There should be more Oireachtas reform

- Automatic registration of citizens should be put in place before the next Local and European elections.
- A Citizens-Initiative process should be included in legislation to establish a Citizens Assembly.
- A separate Petitions and Citizen Engagement Committee of the Oireachtas should be established at the start of the next Dáil, while a New Budget and Finance Committee should also be set up. The chairs of all committees should be allocated on a proportional basis and expert panels put in place for each committee by the end of 2016.
- An Independent Budget Office should be put in place during 2016.
- A Digital Democracy Commission should be set up in 2016 to report by the end of 2017.
- The next Ceann Comhairle should be elected either by a free or secret vote in the future.
- Free votes should be offered by all parties to members of the Oireachtas on "life and death" issues and on the committee stage of all non-Money Bills from the start of the next Dáil.

RECOMMENDATION 2: NEW STRUCTURES WITH GREATER PUBLIC PARTICIPATION

Summary of Recommendations

- A 2016 Forum should be created as part of the state's plans to mark the centenary of 1916. It should examine the major challenges facing Irish society over the next 20 to 30 years, with a view to making recommendations which can command as much cross-party support as possible. It should report by the end of 2017 at the latest.
- The Government should establish a new Citizens Assembly by legislation to examine political and constitutional reform. It should:
 - Examine proposals for a popularly elected Seanad during the period of the next Dáil and issue its report within 12 months; and
 - Reconvene every three to five years thereafter, each time with a different membership, to make recommendations on general constitutional and political reform, taking into account both the strengths and weaknesses of the recent Constitutional Convention process. Its period of work should last no more than 12 months at any one time.
- A new Local Community Act should be enacted which would give local citizens and communities more control over their own destinies. Among other things it should:
 - Mandate the use of Local Participatory Budgets in both urban and rural areas.
 - Contain a Community Right to Challenge provision. This would give CSOs and local authority employees the right to express an interest in taking over the running of a local authority service.
 - Contain a Community Right to Bid provision. This would give the local community the right to bid on assets which are offered for sale which are listed as having community value.
- New Open Policy Platforms should be established.
 - Policy makers should use a CitizensLab and a network of Citizen Juries to engage citizens directly in policy making.
 - Contestable Policy Funds should be developed whereby any willing and able provider, including CSOs, can bid for funding to develop policy.

A 2016 Forum

One of the criticisms made of representative democracy is that it often pays insufficient attention to developing policies for the long term. We believe it would make sense, therefore, for the Government to establish some formal mechanism which would allow citizens to help shape longer term policy.⁷⁷

We propose that a 2016 Forum be established, whose membership should consist of one third politicians and two third citizens, with the latter chosen on a random basis to reflect the demographics of the population as a whole. This balance of legislators and citizens was a positive factor in the work of the Constitutional Convention.

The Forum should examine the major challenges facing Irish society over the next 20 to 30 years. In particular, it should focus on those challenges whose solution may well require significant changes in the thinking and actions

⁷⁷ A large scale citizens' summit was established in Belgium in 2011. The G1000 lasted a year and produced a range of policy recommendations. See G1000, *Final Report: Democratic Innovation in Practice* (2012).



of citizens themselves. For example: How should Ireland prepare for a significant ageing of its population, an issue which has not received the degree of attention it deserves? The number of people over 65 is projected to rise from 532,000 in 2011 to almost 1.4 million in 2046. Even more significantly, the number of people over 80 is set to jump from 128,000 to 470,000 over the same period, representing a 270% increase.⁷⁸

A Citizens Assembly

Ireland's Constitutional Convention,⁷⁹ which was established in 2012, has been described as "a world first" in terms of "its makeup, its method of operation and its agenda."⁸⁰ Citizens and politicians, supported by relevant expert assistance, came together in a unique deliberative forum to offer their views and make recommendations to Government on proposed changes to the Constitution and Ireland's political system. The work of the Convention showed that citizens can, when given appropriate supports, tackle very complicated issues and come up with clear recommendations.

While the Convention process had many strengths it also had two weaknesses:

- First, the Government rather than the Oireachtas was responsible for responding to the recommendations of the Convention and has missed some of its own deadlines in this regard.
- Second, the Convention covered so many topics it did not do full justice to some of the very complicated issues covered. It made 38 recommendations, of which 16 would require constitutional change. A Citizens' Assembly held in British Columbia in 2004/5, by contrast, spent over a year focusing solely on the issue of voting reform.

Taking into account the experience of the Constitutional Convention, we recommend that any legislation establishing the Assembly should require that the Oireachtas votes on each of its proposals within 18 months. We further recommend that the Assembly should also focus on a more limited number of topics than was the case with the Constitutional Convention. As with the Forum, its membership should consist of one third politicians and two thirds citizens, chosen randomly. All TDs and Senators should be afforded a free vote by their parties in the Oireachtas on any proposal from the Citizens Assembly.

We recommend that the Assembly should:

- Examine proposals for an elected Seanad during the period of the next Dáil; and
- Reconvene every three to five years thereafter, each time with a different membership, to make recommendations on general constitutional and political reform. Its period of work should last no more than 12 months at any one time.

A New Local Community Act

The Government has already established, as noted above, Public Participation Networks (PPNs) in every local authority area as part of a major reform of Local Government. The PPNs provide representatives of community and voluntary, social inclusion and environmental groups with an opportunity to influence local policy-making, particularly as they have nominating rights to a range of local authority committees.

We propose that a new Local Community Act⁸¹ should be enacted which would give local citizens and local communities more control over their own destinies. Among other things it would mandate the use of Local Participatory Budgets in both urban and rural areas.

⁷⁸ Age Action, CSO *Forecast for an Ageing Population Underlies Urgency for Planning Today*, 30 April 2013.

⁷⁹ For an overview of its work see the summary of David Farrell's presentation to UCL's Constitution Unit, *Deliberative Approaches to Political Reform*, 29 May 2014.

⁸⁰ <http://politicalreform.ie/2014/02/26/the-irish-constitutional-convention-completes-its-work/#more-5276>.

⁸¹ The UK has its own version of a Localism Act in place. See Communities and Local Government Department, *A Plain English Guide to the Localism Act*, 2012.

Participatory Budgeting

Participatory Budgeting (PB) is a democratic process in which community members directly decide how to spend part of a public budget. It has been used internationally to promote good local governance and democracy, and was included as an option in the Department of the Environment's 2012 *Action Programme for Effective Local Government*. There are, as a recent survey has suggested, strong theoretical arguments for greater PB.

"First, there are strong links between PB and community cohesion. It has been argued that PB boosts civil activism, community cohesion and social capital. Second, PB both promotes and augments local democracy. Third, PB arguably makes spending more effective, by better focusing it on need as defined by citizens, rather than being mediated through representatives in local government or elsewhere. Fourth, PB can benefit the poorest the most, whilst raising overall standards. Fifth, PB offers a possibility of squaring the circle between equity and devolution. Finally, PB arguably fosters trust in politics, bringing citizens into a political process from which they can feel alienated."

There were almost 200 PB projects in operation across Europe in 2010. Seville in Spain provides an interesting example of a genuinely local and city wide participatory approach.

"The city has been divided into 15 zones/neighbourhoods where citizens meet in public fora (usually community centres) to discuss, initiate and propose project ideas. Delegates are elected at the neighbourhood and city level to examine the proposals (which are defined as district or city issues according to their cost) and prioritise them using a point system based on general and supplementary criteria."⁸²

The Working Group on Citizen Engagement with Local Government did not focus on how initiatives such as PB might be implemented. However, it did recommend a particular methodology that could be "deployed on a county/city-wide basis, or focused on municipal districts, certain areas, localities or neighbourhoods."⁸³

Community Right to Challenge

A Community Right to Challenge would give CSOs and local authority employees the right to express an interest in taking over the running of a local authority service. The local authority would be obliged to consider and respond to the challenge. If it accepted the challenge it would, in certain cases, be obliged to run a procurement process in which various organisations would be able to bid to take over the service.

Community Right to Bid

A Community Right to Bid would give the local community the right to bid on assets which are offered for sale which are listed by the local authority as having community value. Such assets might include a local shop, pub, library, etc. If the owner of such an asset were to decide to sell a moratorium period would be triggered during which the asset could not be sold. The intention is to allow the local community the time to raise the necessary capital if it so desired.

Open Policy Platforms

Policy makers should use a CitizensLab and a series of Citizen Juries to engage citizens directly in policy making. In addition, Contestable Policy Funds should be developed whereby any willing and able provider, including CSOs, can bid for funding for policy development.

CitizensLab

The Danish Government has created MindLab, an "innovation unit" which works to support three ministries: the Ministry of Economic and Business Affairs, the Ministry of Taxation, and the Ministry of Employment. MindLab is a separate public / private entity, overseen by a Board consisting of policy makers and business leaders. MindLab brings the citizens' perspective to the work of these ministries, helping policymakers and employees co-create better

⁸² Clodagh Harris, *Participatory Budgeting – One Way of Putting People First*, 2013.

⁸³ *Working Group Report on Citizen Engagement with Local Government*, 2014.



solutions for the end-user. Projects focus on the primary missions of MindLab's three partner ministries, providing solutions related to economic development, workplace safety and taxation. The organisation's structure as a self-contained unit also gives it the ability to partner with other government agencies where projects overlap with the concerns of MindLab's main ministries.⁸⁴

We recommend that Ireland establish CitizenLab, its own citizen-focused policy lab. As with MindLab it would be established as a separate, autonomous organisation with its own Board and budget. We suggest that it should work with as many government departments as possible, and use a range of techniques to offer a citizen perspective on the work of government. These should include:

- Crowdsourcing questions to shape the definition of the problem rather than just consulting on solutions;
- Using Citizen Juries to test new ideas before they are turned into policy; and
- Using web-based tools, platforms and new media to widen access and make more data available so that people can test and challenge policy.

Citizen Juries

Citizen Juries (CJ) have been used successfully in a large number of countries, including the UK, particularly in decision-making areas such as Local Government and Health. The basic principle of a CJ is to invite a group of randomly selected citizens to consider a matter of policy. CJs have a number of key features:

- Participants are selected or recruited, rather than accepting an open invitation to a public meeting;
- Information is offered to participants who are given the opportunity to scrutinise different viewpoints and options;
- Participants are given time to reflect on the questions at hand; and
- The jurors are expected to develop a shared view of the question/s they have been asked to address. The momentum of the process, including the style of moderation and the way the agenda is structured reflects this objective.

A 2014 review of CJs in health pointed to a large number of possible models of public engagement, with some working much better than others. The review emphasised that for CJs to be truly useful "special attention should be paid to recruitment, independent oversight, jury duration and moderation."⁸⁵

Contestable Policy Funds

Another way to incentivise the development of high quality, creative policy is to open the policy development process to competition from external sources. The Cabinet Office in the UK have created a centrally-resourced match fund worth up to £1 million per year to enable departments to bid for money to put this new approach into practice. Departments will be able to bid for an allocation of £500k funding (and provide £500k match funding themselves) to open up specific pieces of policy development to competition from external providers. The Cabinet Office is acting as a Secretariat to the process and supporting departments to evaluate the effectiveness of the approach and its value for money.

⁸⁴ See, for instance, Helle Vibeke Carstensen & Christian Bason, *Powering Collaborative Policy Innovation: Can Innovation Labs Help?* 2012.

⁸⁵ Jackie Street et al, *The Use of Citizens' Juries in Health Policy Decision-Making*, 6 March 2014.

IMPLEMENTATION

Proposal: A 2016 Forum should be created as part of the state's plans to mark the centenary of 1916.

- It should be established in 2016 and report by the end of 2017 at the latest..

Proposal: The Government should establish a new Citizens Assembly by legislation.

- It should be established on an administrative basis within the first six months of a new Government coming into office to examine proposals for an elected Seanad. It should issue its report within twelve months.
- A Heads of Bill to establish the Assembly on a legislative basis should be published in 2017 and the Bill enacted by the end of 2019 at the latest.

Proposal: A new Local Community Act should be enacted

- A Heads of Bill should be published in 2017 and enacted by 2020 at the latest.

Proposal: New Open Policy Platforms should be established.

- An autonomous CitizensLab should be established in 2017.
- Each government department should submit proposals for how they plan to use Citizen Juries and rollout Contestable Policy Funds by 2017 (1H). A whole of Government Action Plan on both issues should be published during 2018.

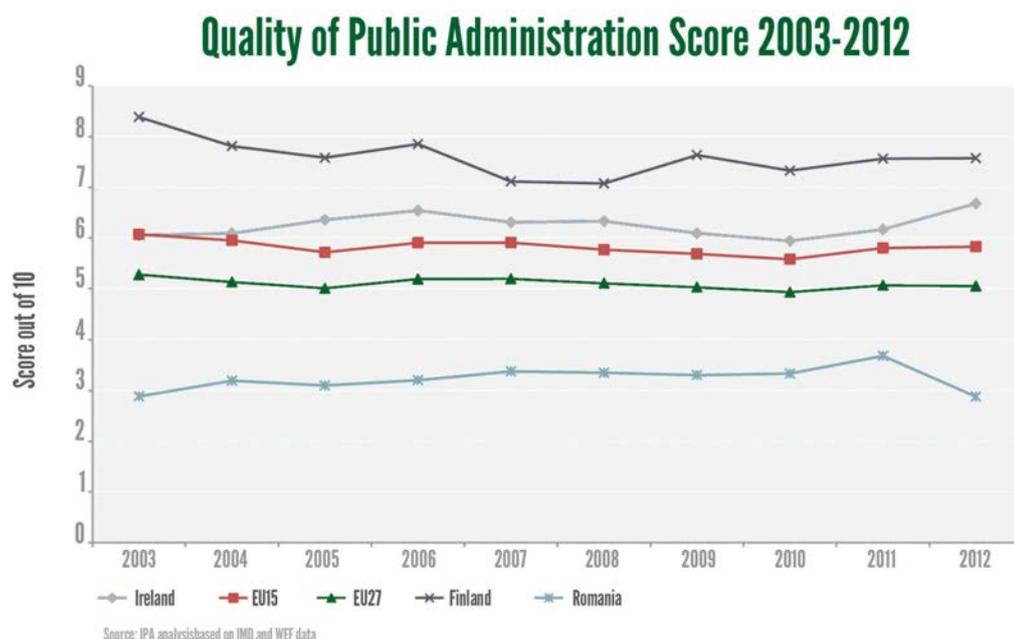


4. CITIZEN SERVICES

A June 2013 review by the Institute of Public Administration showed that, despite significant budgetary cuts, Ireland's score on a quality of public administration index increased slightly compared to European averages (see Figure 5). However, it also suggested that more could be done to involve citizens: "Unless the citizen is centre stage in the process," it argued, "the chances of reform receiving widespread backing are small". It recommended that:

"Citizens should have a more active voice in the design, delivery and monitoring of policy and services. At the policy formulation stage, more active engagement of citizens through innovative consultation processes is needed. At the policy design and implementation stage, citizens should be given a more direct role in shaping practice. Experimentation should take place with the development of user-driven services, including individualised budgets, particularly in the sphere of social care."⁸⁶

Figure 5: Improving Quality of Public Administration



The rest of this chapter suggests a number of ways in which a more citizen focused Public Sector can be established.

RECOMMENDATION 3: MORE COMMISSIONING WITH INCREASED PERSONALISATION

Summary of Recommendations

- Government should move decisively towards commissioning more services.
 - An increasing proportion of public services should be commissioned from any willing and able provider, with CSOs playing a vital role. Ireland should seek to reach the OECD average for the commissioning of external services, within the next decade.
 - We propose that a Community and Social Value Act be placed on the Statute book which would require public commissioning bodies to take into account both social and environmental benefits, as well as cost benefits, when awarding contracts.
 - There should be a substantive increase in the commissioning skills of the Public Sector.
- Citizens and employees should be given a much greater sense of ownership through the establishment of Public Sector Mutuals / Cooperatives.
 - An Incubator to help facilitate the creation of Public Sector mutuals should be established.
 - A review of all state owned bodies should be undertaken to ascertain which organisations might be transformed into mutuals.
- A series of measures should be introduced to help support community based organisations.
 - There should be a review of all regulation covering CSOs and community-based organisations, such as Credit Unions, to help ensure that the regulatory framework is neither overly burdensome nor overly prescriptive.
 - A national strategy for Volunteering should be put in place.
- There should be greater Personalisation of services in order to give citizens much more control over their own destiny.
 - A system of Personal Budgets in social care, health and welfare should be established.

CIVIL SOCIETY'S CENTRAL ROLE

Civil Society in Ireland has traditionally been viewed as the "third sector", the junior partner of both the state and the market. However, this is an out of date view which underestimates the contribution which Civil Society can make towards the work of government in particular. Civil Society can, the World Economic Forum has argued, become the glue which binds public and private activity together in a more effective and agile fashion.⁸⁷

One of the most interesting developments in this regard is the emergence globally of new hybrid entities which combine key characteristics of the public, private and social sectors, e.g., employee-owned mutuals, cooperatives and public benefit corporations. Each is citizen-centric yet autonomous from the state and based on sound business principles. Each is bound by very clear and transparent systems of governance and accountability.⁸⁸ At the heart of many of these entities is the idea of co-production, a term which is generally applied to the "broadening and

⁸⁷ The World Economic Forum, *The Future of Civil Society*, 2013.

⁸⁸ Accenture, *The Rise of Social-Value Hybrids*, 2013.



deepening of public services when they are delivered by the beneficiaries, alongside professionals.”⁸⁹ However, such organisations can only make a real impact if government is opened up through much greater commissioning of services.

A GREATER ROLE FOR COMMISSIONING

Commissioning is the process of specifying, securing and monitoring services to meet people’s needs at a strategic level. Commissioning skills can be categorised into two important capability sets:

- *Operational*: This includes financial and contract management, programme management, project management and the ability to work with partners to assess service-user needs; and
- *Strategic*: This covers issues such as deciding which departments should be commissioning services; how commissioners should be incentivised, rewarded and supported; and what “checks and balances” are required, e.g., regulatory assurance or public redress mechanisms.

A 2013 report⁹⁰ shows that Ireland ranks fourth from bottom in the OECD, just ahead of Switzerland, Greece and Mexico, in terms of using external service delivery. It is well below the OECD average and less than half the rate in the Netherlands, the OECD’s leading country in terms of commissioning external sources.

We propose that the Government should reach, at the very least, the OECD average for commissioning external services over the next decade, including public agencies, private bodies, cooperatives, employee mutuals and other civil society organisations. New financial mechanisms to support this process should include payment by results⁹¹ and social impact bonds.⁹² A new Commissioning Academy should be established to help ensure that public servants have the right skills to commission from various outside bodies, including CSOs, while new commissioning expertise should be injected into government through the hiring of appropriate staff if expertise is not available internally.

A Community and Social Value Act

We propose that a new Community and Social Value Act be enacted which would require public bodies to take into account social and environmental benefits when awarding contracts, rather than focusing solely on cost. A recent review of similar type legislation in the UK has concluded that:

“it has had a positive effect, encouraging a more holistic approach to commissioning which seeks to achieve an optimal combination of quality and best value.”

However, it also notes that the extent of the pickup by public organisations was not sufficient for a number of reasons including the way in which social value is measured.⁹³ We suggest that an agreed system for measuring social value should be put in place as part of the legislative process.⁹⁴

A MUTUAL MOMENT

The two traditional approaches to improving public services - greater involvement by the market or more centralised control by the state – have significant limitations. On the one hand, it can be difficult to align the interests of commercial enterprises with the public interest in services which seek to meet social needs. On the other hand, more command and control from the centre can stifle innovation and remove crucial decision-making from frontline

⁸⁹ Centre Forum, *Turbo Charing Volunteering: Co-Production and Public Service Reform*, 2014.

⁹⁰ IBEC, *Delivering World-Class Public Services*, 2013.

⁹¹ A system where payments are contingent on particular result, independently verified, being delivered.

⁹² Social Impact Bonds are bonds where private investors get paid a return by government for successfully tackling social problems.

⁹³ Cabinet Office review by Lord Young, *Social Value Act Review*, February 2015.

⁹⁴ This is not a simple task and various measures have been created such as LM3, which allows organisations to calculate the local economic impact, and SROI which calculates social return on investment. However, both approaches are very complex and it may well be that simpler, across-government measures may be the best way forward. See Dan Ebanks, *Is Measuring Social Value the Key to Better Public Sector Commissioning?*, 17 February 2015.

staff who may well have a better understanding of users' needs. We recommend an alternative approach, namely, the shifting of power directly to citizens and frontline staff through the creation of mutuals and cooperatives. It is estimated that over 800 million people are members of cooperatives worldwide, employing over 100 million people.

The most well-known mutual-type organisations in Ireland are agricultural cooperatives, building societies and credit unions. The Irish cooperative movement, can be traced back to the late 19th century. In 1894 the Irish Agricultural Organisation Society (IAOS – later renamed the Irish Cooperative Organisation Society) was founded with the assistance of Horace Plunkett, while the country's first experiment in cooperative banking was also undertaken at Doneraile, County Cork.⁹⁵ Ireland now has one of the world's largest credit union sectors on a per capita basis, with about 65% of Irish adults belonging to a credit union.⁹⁶

All of these various organisations share an important common bond – they are owned by, and run for the benefit of, their current and future members. Members can be service users, employees or stakeholders from the whole community. The Hunt review of mutuals in the UK has summarised the case for mutuals in the following way:

"As a subject in itself, mutual ownership may appear distant from the challenge of creating growth, prosperity and fairness. But the essence of mutuality is that it is the embodiment in business, of that enduring truth about people - that we achieve more together than by working alone. Put simply, mutuality is a good idea that can deliver trust, confidence and accountability between many institutions and the people that they serve... The last decade has seen a rebirth of this idea, with mutuals once again gaining market share and providing answers in new and exciting areas of business and public service. Globally, mutuals are on the march, serving many billions of people and gaining support across a broad political spectrum.... Our political leaders need to think big in this respect."⁹⁷

Public Sector Mutuals

We propose that an Incubator for Public Sector mutuals be established within Ireland. It would provide expertise and funding to public servants to help create successful enterprises from within government, which would then become stand-alone organisations delivering public services.

Public Sector mutuals are organisations which have left the Civil Service or the Public Sector but continue to deliver public services. Employee and service user ownership normally plays a significant role in their operation as they have a primary interest in high quality public services "grounded in lived experience of what is working in public services and what needs to change."⁹⁸ The basic idea is to create entities which can, through a combination of common ownership and greater professional freedom, provide user focused services which are more responsive to local needs. Research suggests that they can also anchor employment in the local area and help re-balance the local economy.

Significant parts of the UK's Public Sector are now organised as co-operatives and mutuals, the highest profile examples being NHS foundation trusts and co-operative schools.⁹⁹ According to the UK's Co-Operative Group mutuals are now seen to be "a legitimate alternative to privatisation" across the political spectrum.¹⁰⁰ A 2013 Boston Consulting Group report, *Soft Finance, Hard Choices*, analysed the performance of 71 mutuals, which delivered £1.2 billion of public services, as well as 15 mutual projects in development. It found clear evidence that mutuals were improving service quality, driving innovation and creating new jobs. A 2014 Australian White Paper, which set out a national strategy to grow public mutuals, has summarised the evidence as follows. Public mutuals, it argues, have been shown to be:

95 See Carla King & Liam Kennedy, *Irish Co-operatives: From Creameries at the Crossroads to Multinationals*, History Ireland, 1994.

96 Paul Gosling, *How Irish Credit Unions are Holding Up Against the Financial Crisis*, 2 June 2014.

97 *The Hunt Review: An Independent Review of the Contribution that Mutuals Can Make to Growth, Prosperity and Fairness*, 2014. A summary of the Recommendations made by the Hunt Review are included in Appendix 2. While a number are country specific many of them are of a more general nature.

98 For an overview see the New Economic Foundation, *Moving Beyond the Market: A New Agenda for Public Services*, 2014. See also Centre for Social Justice, *Something's Got to Give*, 2014.

99 See William Davies and Ruth Yeoman, *Becoming a Public Sector Mutual*, 2013.

100 <http://www.co-operative.coop/corporate/Public-Service-Mutuals-/what-we-do/?id=163354>.



“innovative, profitable and more resilient to changes in the economic climate. They show higher consumer satisfaction, lower absenteeism and sickness rates, less staff turnover, and increased levels of staff commitment to, and enthusiasm for, their work.”¹⁰¹

However, the experience of the UK also suggests that the creation of Public Sector mutuals is far from a simple process and that a number of lessons can be learnt:

- First, mutualisation is a risky venture. New mutuals must be capable of operating in competitive markets where other providers are vying for work. They typically need to build up a track record of marketplace credentials, skills and growth potential. Mutualising a complex business such as a large department or agency may require several years of due diligence and market testing. New skills will almost certainly be required to turn it into a viable, independent commercial operation.
- Second, the most important relationship a new mutual will have is with its former parent organisation. It will usually account for most of the mutual's initial business. Contractual arrangements would need to be clearly defined and a timeframe agreed for when a mutual might expand its services to other customers. This will require new skills and structures, both within the mutual and, critically, within the former parent organisation.
- Almost all mutuals will require funds for employees to “buy in” to the organisation, working and investment capital, and access to financial products and debt markets. New businesses may take on some liabilities previously carried by the parent organisation. The financial services industry would need to be brought on board to help grow this market if it is to expand.
- Fourth, moving out of the Public Sector means that tax arrangements may change, as the mutual becomes subject to corporation tax on its profits. Financial planning and modelling future tax payments is particularly crucial during initial business planning.
- Finally, and perhaps most importantly, setting up a business involves personal risk and liability. Many mutuals are born as a handful of individuals with an appetite for risk who are able to sell their idea to colleagues. But, as the scale of budgets, staff and risk in larger areas of the Public Sector increases, this appetite could decrease. Options to share risk would need to be explored.¹⁰²

Real Public Ownership

In Ireland state owned companies are often described as being in public ownership. The reality, however, is that the public has little or no control over these bodies and have no direct ownership. It is state ownership rather than public ownership. We propose that a review of all state owned bodies should be undertaken to ascertain which organisations might be transformed into public mutuals.

SUPPORTING VOLUNTEERING

The voluntary sector in Ireland contributes over €2.5bn to the economy each year and employs over 63,000 full-time and part-time staff. Volunteers provide the equivalent work of a further 31,000 people.¹⁰³ National organisations like the GAA demonstrate daily the power of well organised volunteerism while many other voluntary organisations did exceptional work at community level during the last few very difficult years, even as their budgets were cut.

It is clear, however, that the sector needs help in rebuilding itself. It should, like other parts of society, reap some of the financial benefits of the recovery in Ireland's economy:

¹⁰¹ Australian White Paper, *Public Service Mutuals*, 2014. See also Business Council of Co-Operatives and Mutuals, *Blueprint for an Enterprising Nation*, 2014.

¹⁰² Duncan Farrow-Smith, *One Year On: Five Lessons for Public Sector Mutuals*, 30 April 2013.

¹⁰³ The Wheel, *Overview of the Irish Community and Voluntary Sector*, 2015.

First, there should be a review of all regulation covering CSOs and community-based organisations, such as Credit Unions, to help ensure that the regulatory framework is neither overly burdensome nor overly prescriptive.

Second, the Republic should publish a national strategy for volunteering, following the example of Northern Ireland.¹⁰⁴ That Strategy, which is accompanied by an Action Plan, aims to create the conditions under which volunteering activity within Northern Ireland can develop and flourish. It has the following objectives:

- Recognising the value and promoting the benefits of volunteering
- Enhancing accessibility and diversity
- Improving the volunteering experience
- Supporting and strengthening the volunteering infrastructure
- Delivering the Strategy

GREATER PERSONALISATION

Personalisation, at its simplest, is about giving citizens greater choice and control over the services which they receive. They are given specific funding to allow them, either as individuals or in groups, to purchase the right range of services for them and to participate in their delivery. Instead of being passive recipients of what other people think they need, citizens can instead become actively involved in the selection and shaping of the services which they receive.

Personalisation is only possible, however, if it is accompanied by the rollout of person-centred funding, i.e., funding which is built around the specific needs of an individual. Government should move as rapidly as possible towards the introduction of Personal Care Budgets (PCBs) for those requiring long term social care services, and Personal Health Budgets (PHBs) for those suffering from long term illnesses.

Personal Care and Personal Health Budgets

PCBs are funds which are allocated to citizens to cover their care needs. Individuals can manage their PCBs in a number of different ways:

- Direct Payments can be made directly to individuals. These cash payments must be sufficient to enable the person to purchase the services which they need and can only be spent on these services.
- Another approach involves individuals choosing the services which they want while allowing third parties - nominated care givers, state bodies, etc. - to commission those services on behalf of the individual.
- A third option is the Individual Service Fund where the service provider holds onto the individual's funding - but it is ring-fenced in the organisation's accounts.

PHBs are also being introduced in the UK and, in some cases, are being merged into PCBs. The goal, similar to PCBs, is to give patients with long term medical conditions much more control over the budgets for their particular condition and to enable truly integrated care for the individual.

The evidence from the UK is that the great majority of users support the extra freedom that personal budgets gives them.¹⁰⁵ However, the experience of both the UK and the Netherlands also suggest that personal budgets work best for certain types of users – principally those whose conditions are stable – and that appropriate controls must be put in place to prevent any misuse of funds.

¹⁰⁴ Department for Social Development, *Join In, Get Involved: Build a Better Future – A Volunteering and Action Plan for Northern Ireland*, 2012.

¹⁰⁵ See, for instance, British Geriatrics Society survey, October 2014.



IMPLEMENTATION

Proposal: Government should move decisively towards commissioning more services.

- The Government should produce, after full consultation, an Action Plan for Commissioning by 2018. It would set a detailed strategy for how the Government would reach the OECD average for the commissioning of external services. This plan should be updated annually with quarterly progress updates.
- The Heads of a Community and Social Value Act should be published in 2017 with legislation enacted before the end of the next Government.

Proposal: Citizens and employees should be given a much greater sense of ownership through the establishment of Public Sector Mutuals / Cooperatives.

- An Incubator to help facilitate the creation of Public Sector mutuals should be established in 2017.
- An external review of all state owned bodies, with an external Chair and a broad based membership, should be undertaken to ascertain which organisations might be transformed into mutuals. It should commence in 2016 and report in 2018 at the latest.
- A new Commissioning Academy should be established by 2018.

A series of measures should be introduced to help support community based organisations.

- A review of all regulation covering CSOs and community-based organisations should be commenced in 2016 and report in 2018, with significant input from civil society and small businesses in particular. It should examine whether the current regulatory framework for CSOs generally, and Credit Unions in particular, is neither overly burdensome nor overly prescriptive.
- A White Paper on Volunteering should be published by 2018 and a full strategy published by the end of 2019.

Proposal: There should be greater personalisation of services in order to give citizens much more control over their own destiny.

- The Collins Institute will publish an implementation schedule in a future paper dealing with reform of the Welfare State.

RECOMMENDATION 4: RESPONSIVE POLICY IMPLEMENTATION AND AGILE IT

Summary of Recommendations:

- Each Department should publish an annual Action Plan with a specific implementation schedule and quarterly updates
 - These plans would include formal mechanisms for citizen consultation and engagement.
- A Programme for Government Delivery Unit (GDU) should be established within the Department of the Taoiseach, staffed with appropriate expertise. It would be built around the current Programme for Government Office and liaise closely with the Programme Management Office within DPER. Each government department should also establish its own Programme Delivery Unit (PDU).
 - The heads of the GDU and the various PDUs would be accountable to the Oireachtas.
 - The GDU, working closely with DPER and other departments, should oversee the Government's highest risk and highest value Programme for Government projects / commitments.
 - Each PDU, as well as overseeing major projects in its area of competence, should provide ministers with a range of financial, project management and legal/drafting expertise. The PDU should also have its own operational budget which would allow it to commission necessary expertise and reports on a case by case basis.
- New Legislation should be introduced to empower civil servants and ensure greater accountability:
 - The Ministers and Secretaries Acts and the Public Service Management Act should be amended to permit the delegation by a minister of specific ministerial powers to specific officers.
 - Civil Servants should be accountable to the Oireachtas for the exercise of these powers.
- A Public Services Remuneration Commission should also be established to advise Government on future developments in public sector pay and pensions, based on a credible and independent expert analysis of remuneration in the Irish private sector and in other public sector systems.
 - The Commission should include, in all of its recommendations, detailed and specific proposals for how productivity improvements can fund a significant proportion of future increases in public sector remuneration.
- Ireland should target a Top 5 position in eGovernment within a decade through the adoption of an Agile IT strategy
 - The Public Sector should adopt a *Digital by Default* strategy to help ensure that citizens have the greatest access to services as possible. No new or redesigned transactional government services should be permitted which do not meet the relevant standards.
 - Gov.ie should become a more effective One Stop Shop for citizens, supported by a range of user friendly Apps.
 - A significant increase in digital capability should be a major priority, particularly in Health which should engage a commercial *Strategic Partner*.



- Ireland should partner with other countries who have relevant experience in the delivery of effective eGovernment

ANNUAL ACTION PLANS

Each department should publish an Annual Action Plan, covering its most important deliverables, with a specific implementation schedule and quarterly updates. This proposal is based on the very successful Action Plan for Jobs (APJ) pioneered by Minister Richard Bruton. As the OECD has noted:

"The AJP's most striking innovation in the Irish public policy context is a coordination mechanism that ensures high-level buy-in and oversight, whole-of-government engagement and the establishment of quarterly targets underpinned by a robust monitoring process."¹⁰⁶

Each Action Plan should include formal mechanisms for citizen consultation and engagement. It should also indicate which official / organisation is responsible for the rollout of specific sections of the Plan.

MAKING IT HAPPEN

Governments everywhere are under extreme pressure to deliver results while ensuring that citizens' taxes are spent wisely and effectively.

"Frequently, however, plans fall by the wayside and reform goals remain unmet, for a variety of reasons: political pressure can cause priorities and resources to shift, success can be difficult to measure, consequences for failed delivery are less obvious than in the private sector, and stakeholder motivations are not always transparent. The challenge for public-sector organizations is to find ways to define and execute their highest-priority objectives so that they have the greatest possible impact."¹⁰⁷

The Government's NewERA agency, which was established in 2011 within the National Treasury Management Agency (NTMA), is a very good example of how a small dedicated unit with expertise can make a significant difference. Its role is to provide financial and commercial advisory services to relevant Ministers with respect to various commercial State entities. Its services are in very high demand within government and it has helped create a more professional and commercial relationship between government departments and state owned bodies

We recommend that a permanent Programme for Government Delivery Unit (GDU) should be established within the Department of the Taoiseach, staffed with appropriate expertise. It would build on the work of the current Programme for Government Office and liaise closely with the Programme Management Office within DPER.

We recommend that the GDU should be modelled on the UK's Prime Minister's Delivery Unit (PMDU), which has been copied in a number of countries around the globe. Tony Blair, who established the first PMDU, has stated that it was an "innovation that was much resisted, but utterly invaluable and proved its worth time and time again."¹⁰⁸ David Cameron's coalition government abolished the PMDU but subsequently established a similar type Implementation Unit.¹⁰⁹ The GDU, working closely with DPER's Programme Management Office and other departments, should oversee the Government's highest risk and highest value projects. It would approve all major projects and have the power to escalate issues where concerns are raised.

We also recommend the establishment of Programme Deliver Office (PDU) in each government department. Each PDU should be based around several shared organisational-design attributes:

¹⁰⁶ OECD, *Ireland's Action Plan for Jobs: A Preliminary Review*, April 2014

¹⁰⁷ Michael Barber et al, *Deliverology: From Idea to Implementation*, 2011.

¹⁰⁸ Quoted in Barber, *ibid*.

¹⁰⁹ Institute for Government, *Public Service Agreements and the Prime Minister's Delivery Unit*, 2014

1. Respected Leadership.
2. Limited size.
3. Top talent; and a
4. Non-hierarchical relationship with the system.¹¹⁰

We further recommend that:

- Each PDU, as well as overseeing major projects, should provide ministers with a range of financial, project management and legal/drafting expertise. The PDU should also have its own operational budget which would allow it to commission necessary expertise and reports on a case by case basis.
- A Major Projects Academy should be established to train the senior leaders responsible for major projects. In the future, only project leaders who have successfully completed this intensive development programme should be able to lead a major government project.

EMPOWERED AND ACCOUNTABLE CIVIL SERVANTS

The rules covering both the authority and accountability of civil servants have evolved in an ad-hoc and fragmented manner over the past 90 years. They are underpinned by what is known in the UK as the Carltona principle. In essence this states that the powers vested in the Minister may be exercised by appropriate responsible officials on his or her behalf, without any express act of delegation. The Irish 2011 Programme for Government, by contrast, committed the Government to "legislate for a reformulated code of laws, replacing both the Ministers and Secretaries Acts and the Public Service Management Act, which will spell out the legal relationship between Ministers and civil servants and their legal accountability for decisions and for management of Departments".

We recommend that any new legislation should permit the delegation by a Minister of specific ministerial powers to specific officers. It should clearly outline the functions of the Minister in relation to the supervision of the exercise of delegated powers, and make it clear that Civil Servants should be accountable to the Oireachtas for the exercise of these powers, which should be contained in publicly available Performance Agreements. In Sweden, for instance, individual civil servants are often identified in the media with respect to operational issues.

A PUBLIC SECTOR REMUNERATION COMMISSION

The introduction of very significant pay increases for public sector employees, without credible benchmarking and a specific link between wage increases and productivity improvements, was one of the key public policy failures of the Celtic Tiger. It is vital that Ireland does not repeat the same mistakes as the economy recovers.

We propose that a Public Services Remuneration Commission should be established to advise Government on future developments in public sector pay and pensions. Its advice should be based on credible and expert analysis of remuneration in the Irish private sector and in other public sector systems. The Commission should include, in all of its recommendations, detailed and specific proposals for how productivity improvements can fund a significant proportion of future increases in public sector remuneration.

¹¹⁰ See Barber, *ibid*, for a more detailed discussion.



IT: TOP 5 IN A DECADE

In 2011 DPER published its eGovernment Strategy for 2012-2015, which laid out a series of actions to address Ireland's relatively poor performance in e-Government.¹¹¹ Significant progress has subsequently been made. The 2013 Global Technology Report from the World Economic Forum, for instance, ranked Ireland 55th as measured by the extent to which government services are available online. By 2015 Ireland's position had risen to 31.¹¹² The UN has also measured a substantial improvement in Ireland's capabilities. In 2012 Ireland was ranked 34 in its eGovernment Development Index (EGDI). Its most recent survey suggested an improvement of 12 places to 22.¹¹³ The European Commission's Digital Economy and Social Index (DESI) for 2015 shows that Ireland's position has also improved.

Figure 6: Ireland's Ranking Has Improved

	Ireland		Cluster	EU
	rank	score	score	score
DESI 2015	9	0.52	0.51	0.47
DESI 2014	11	0.49	0.47	0.44

While this progress is very welcome there is clearly room for significant progress, particularly given Ireland's very strong position in IT generally. Ireland's improvement in eGovernment also disguises huge IT weaknesses in Ireland's health system, in particular. It is 11th in the EU, for instance, for GPs using a Medical Data Exchange while it is 19th for ePrescribing.¹¹⁴

Ireland should implement a strategy to enable it to become a Top 5 player in eGovernment within ten years, both globally and within Europe,¹¹⁵ and to deliver an IT system in health which is fit for purpose in the 21st century. This should be accompanied by the implementation of a nationwide and credible broadband strategy.

Digital by Default

In order to reach its eGovernment target the Public Sector should adopt a *Digital by Default* strategy, learning from the UK's experience in this regard. The aim should be "to make digital services so good that people prefer to carry out the transaction online rather than by phone, post or in person."¹¹⁶ Research suggests that transactions online are 20x cheaper than phone, 30x cheaper than post and 50x cheaper than face-to-face transactions. More personalised services could then be utilised more effectively.

In order for this to happen a robust Service Standard should be developed for digital teams across government in order to create services which are safe, meet the needs of citizens and are easily improved. No new or redesigned transactional government services should be allowed on Gov.ie (see below) which do not meet this standard. The UK Government has identified 26 steps in the creation of such a standard (see Appendix 3).¹¹⁷

111 Department of Public Expenditure and Reform, *Supporting Public Service Reform: eGovernment 2012-2015*.

112 World Economic Forum, *The Global Information Technology Report, 2015*.

113 United Nations, *E-Government Survey, 2014*.

114 European Commission, *Digital Economy and Society Index 2015*.

115 The European Commission ranks Ireland at 9 for Digital Public Services, up from 10 in 2014. Ibid.

116 <https://www.gov.uk/service-manual/digital-by-default>.

117 Ibid.

A One Stop Shop for Citizens

www.gov.ie should be modelled on the award winning www.gov.uk. Whereas the former is essentially a method by which citizens can access other websites, the websites of all government departments and many other agencies and public bodies have been merged into gov.uk. This has led to 93% positive user ratings and has substantially increased the speed of transactions. A series of use friendly Apps should also be developed to allow users to easily access services.

Gov.ie should be run from the core of the Civil Service with the ability to mandate cross government solutions, set standards and force departments to improve citizens' experience of key transactions. This central team should have the ability to change the model of government online publishing. It should also have overall control of the user experience across all digital channels.

Agile IT

Most global IT projects in the Public Sector follow an IT procurement approach which is known as the "waterfall" model. Much like construction and manufacturing workflows, the waterfall methodology is essentially a sequential design process. As each of the eight stages (conception, initiation, analysis, design, construction, testing, implementation, and maintenance) are completed, the developers move on to the next step. As this process is sequential, once a step has been completed, developers can't go back to a previous step without major changes and very significant additional costs.¹¹⁸

While the waterfall methodology has some very real strengths which should not be ignored,¹¹⁹ it also has two main weaknesses in a Public Sector context:

- First, projects tend to be significantly over-specified up-front. "The people who are specifying the product are afraid of not getting all their ideas in, so they over scope the project. And then the development team is on the hook for delivering everything, not just the essential elements." This was a major factor in the hugely expensive roll out of the Irish Health system's PPARS system (personnel, payroll and related systems) over a decade ago.¹²⁰
- Second, specification documents tends to be overly-focused on the technical specifications required, and not sufficiently concerned with outcomes, namely, what services should the IT system deliver to its users.

We recommend that the Irish government should, to the maximum extent possible adopt an approach to software development called Agile. The Government is currently working on a Strategic Implementation Plan for its recently published ICT strategy. Agile should be a key part of that Plan.¹²¹ This system has been around since the 1950s but was basically codified in the early 2000s. Rather than moving from one static stage to the next, Agile emphasises constant iteration and testing, with prototypes building on prototypes so the endpoint is something that works and doesn't involve expensive changes during the process.¹²²

New Digital Leadership

While Agile offers a potentially more flexible and less expensive approach to IT design and implementation, it can only deliver these results if there is also the right kind of Digital Leadership available within Government. A significant increase in digital capability is clearly required in a number of government departments and sectors, particularly Health.

- Future investment in in-house digital expertise must be a priority.

118 See Base36 *Agile & Waterfall Methodologies*, 13 December 2012.

119 See Cliff Saran in *Computer Weekly, CIOs Must Combine Traditional and Agile IT Projects*, 15 January 2014.

120 A number of analysts have also suggested that the IT problems associated with the rollout of Obamacare in the US in 2014, and of the Universal Credit in the UK over the last few years, are directly related to the failure to adopt an Agile approach to IT. See, for instance, Justine Stephen, Institute for Government, *The Key Lessons that Universal Credit Should Take from Agile*, 2013.

121 DPER, *Public Service ICT Strategy*, January 2015

122 Lydia DePillis in *The Washington Post, The Way Government Does Tech is Outdated and Risky*, 21 October 2013.



- We also recommend that the health service, which has historically failed to deliver satisfactory IT systems, should engage a commercial Strategic Partner to help it roll out a very major upgrade of its IT capabilities.

New Partnerships

Ireland should explore partnering with the Governments of both Northern Ireland and Estonia to help optimise its eGovernment strategy. Northern Ireland's Department of Finance and Personnel's Enterprise Shared Services recently signed a five year concordat with the Estonian Information Systems' Authority. Estonia has one of the most advanced digital societies in the world and one of its most sophisticated and successful eGovernment strategies. It started planning a move to a digital government in 1997 which is built around two basic elements:

1. A distributed system which makes it inherently more secure than if it had been centralised. This architecture also makes it possible to use legacy systems and databases in both the public and private sector, significantly reducing costs.
2. The other key element of the Estonian system has been the mandatory use of digital identification.

As has been noted:

"The most striking thing about Estonia's e-government system isn't the way it allows anyone to file taxes, vote, or receive a medical prescription, all in a matter of minutes and from a single website. The technology behind it is smart, but not magical. The real surprise is that more countries have yet to build similar systems of their own."¹²³

While not all of Estonia's solutions should necessarily be applied to Ireland, it seems clear that we can potentially learn a great deal from their experience to date.

IMPLEMENTATION

Proposal: Each Department should publish an annual Action Plan with a specific implementation schedule and quarterly updates.

- All plans should be published by the end of 2016 at the latest.

Proposal: A GDU should be established within the Department of the Taoiseach. Each government department should also establish its own PDU.

- All Delivery Units should be established within 6 months of a new Government coming into office.

Proposal: New Legislation should be introduced to empower civil servants and ensure greater accountability.

- The Ministers and Secretaries Acts and the Public Service Management Act should be amended by the end of 2019 at the latest.

Ireland should target a Top 5 position in eGovernment within a decade through the adoption of an Agile IT strategy

- DPER should publish a Digital by Default set of standards in 2017.
- Gov.ie should be redesigned by the end of 2017 in order for it to become a more effective One Stop Shop for citizens.
- The Health system which should engage a commercial Strategic Partner for IT in 2017.

¹²³ Leonid Bershidy in Bloomberg, *Envyng Estonia's Digital Government*, 4 March 2015.

CONCLUSION

The recommendations for change included in this document are not intended to be comprehensive. We have not sought to cover every aspect of political or public sector reform. Nor do we believe that any one proposal can act as some kind of “silver bullet” and reverse the long term decline of trust in political and governmental institutions. However, we believe that our proposed reforms, when taken as a package, have the potential to help start rebuilding that trust. If implemented in full they can help create two of the key building blocks of any Just Republic: *Powerful Citizens* and *Strong Communities*.

Future papers will focus in particular on a need to build a more Enabling State in Ireland. They will argue that we should move away from the traditional model of the welfare state, with its minimalist focus on “social security” (the state provides basic services and a safety net), to a more proactive Enabling State which is focused on the idea of “social productivity” (the state and its partners help improve the capabilities of citizens). In order for this to happen an important report from the UK based Commission on 2020 Public Services has argued that three key “shifts” are required:

- 1. A shift in culture.** “Public services must engage and enrol citizens, families, communities, enterprises and wider society in creating better outcomes as partners. The state, market or society alone cannot achieve this. So our goal must be a new culture of democratic participation and social responsibility.”
- 2. A shift in power.** The current centralised model of public services “cannot deliver the integrated and personalised public services that citizens need. We need to invert the power structure, so that services start with citizens.”
- 3. A shift in finance.** “It is time to reconnect the financing of public services to their purposes, leveraging existing and new resources to improve the outcomes that they achieve.” The Commission suggests that public service financing needs much greater transparency; a new methodology that focuses on outcomes; a new partnership model of financial support; and new financial instruments to “provide new sources of money and increase effectiveness.”



APPENDIX 1: BEYOND TRADITIONAL REPUBLICANISM

Traditional republicanism suffers from what might be called a serious branding problem. Within Ireland it is linked for many with violent nationalism. Outside of Ireland it is very often associated with "blood on the streets, guillotines and barricades" or with individuals "who just wants to get rid of the Queen."¹²⁴ Traditional republicanism has, in other words, all too often been associated with force and coercion.

The last few decades have, however, seen a major shift in republican thinking. Modern Civic Republicanism, in particular, is now squarely focused on the need for public policy to protect the individual from the coercion and domination of others. At the same time a new Capability Approach towards the empowerment of citizens has suggested a number of ways in which the freedom of the individual can best be given practical expression in a modern republic.

Based on our analysis of these two schools of thought we have identified four key propositions around which a Just Republic should be built.

Proposition 1: Individuals should be viewed principally and primarily as citizens in a society - not as consumers in a market or as clients of the state. Public policy must recognise that the everyday lives of people are underpinned by a set of values and motivations - trust, reciprocity, respect, care, spirituality, etc. - which the market can't price and the state can't enforce.

Proposition 2: Citizens should have the opportunity to participate actively in the governance of both their state and their community. Indeed, some republican theorists would go so far as to argue that such participation is a civic duty.

Proposition 3: As much power as possible should be devolved from the state to its citizens, their families and the communities in which they live. Power within the state should likewise be devolved downwards as far as possible, while the market should be well regulated to protect citizens from the actions of vested interests.

Proposition 4: Public policy should seek to enhance individual freedom by improving people's capabilities. In other words government should seek to help citizens obtain both the skills and supports they need to maximise their own potential.

The first three propositions are derived from our analysis of modern Civic Republicanism. Proposition 4 is derived from our analysis of the Capability Approach.

Civic Republicanism

Modern Civic Republicanism¹²⁵ is, at its core, a political philosophy rather than a political ideology. It does not have and does not seek to create comprehensive political manifesto, with policies and actions for every sphere of social and economic policy. To the contrary it assumes that political parties will continue to be defined principally by whether they are Socialist, Christian Democratic, Liberal, Green etc. Instead, it offers all political parties a series of principles and approaches which are designed to enhance the freedom of citizens in any state. It is based around a modern reinterpretation of the classical republican tradition which reaches, in its turn, all the way back to the ancient Greek city states and the republic of Rome.

While a great deal of contemporary political debate is focused on how the economic resources of a nation should be distributed, Civic Republicanism is particularly concerned with how power (including economic power) is organised and distributed throughout society. There are two related but distinct schools of thought in this regard: Neo-

¹²⁴ Richard Reeves & Dan Leighton, *The Republican Moment*, 25 April 2010

¹²⁵ See Iseult Honohan, *Civic Republicanism*, 2002, for a general discussion. See also Philip Pettit, *On the People's Terms: A Republican Theory and Model of Democracy*, 2012

Athenian¹²⁶ and Neo-Roman Republicanism. Both approaches are in broad agreement on the central importance of both Propositions 1 and 2 above. However, the latter also insists on the absolute necessity of Proposition 3.¹²⁷

The Capability Approach

One of the main criticisms that can be made of both versions of Civic Republicanism is that they are overly focused on theory and do not spend sufficient time addressing the day to day realities of people's lives. The Capability Approach¹²⁸, by contrast, is very concerned with how individual freedom can best be promoted in a practical and meaningful way. Its basic proposition is simple: The principal goal of public policy should be to strengthen the capabilities of each individual in society, so that they can exercise more and better control over their own destiny (Proposition 4): to support, in other words, the emergence of Powerful Citizens.

While some republican theorists have argued that ultimate freedom is only possible if an individual does not have to depend on anyone else for their well-being and happiness, the Capability Approach takes a more pragmatic view. It recognises that we are, whether we like it or not, social animals who live in society with each other. As such my ability to succeed, to live my life to the full, is often dependent on your willingness to help me - and vice versa. The paradox of freedom, it suggests, is that we often require the assistance of others to be truly free.

However, while the Capability Approach accepts that no man or woman is an island, it also insists that public policy must also take into account two other key factors:

- First, individuals within society often have very different needs and capabilities. Any assistance offered to individuals must take account of these differences. A one size fits all approach to service provision is simply not appropriate; and
- Second, people are not neutral about how any assistance and support is delivered. Most of us have a hierarchy of preferences which starts with doing things for ourselves either as individuals and/or families; that extends next to mutual support between ourselves and our friends/community; and, finally moves on to assistance from third party agencies such as the state and/or voluntary organisations. Public policy must take these individual preferences into account.

¹²⁶ This version of modern republicanism takes as its inspiration the civic humanism of the classical Greek states. It believes strongly in the idea of citizenship (Proposition 1) and the need for the active participation of citizens in the political life of the republic, both to promote the common good and to protect individual freedoms (Proposition 2).

¹²⁷ Neo-Roman Republicanism adherents worry that the neo-Athenian approach places too much emphasis on and trust in a collective and communitarian approach to the protection of individual freedoms. Neo-Roman republicans insist, therefore, that significant legislative and constitutional restrictions should be placed on the ability of the state and other potentially coercive agencies to interfere with the freedom of the individual. These measures should include the widespread devolution of power within the republic (Proposition 3).

¹²⁸ Some aspects of The Capability Approach can be traced as far back as Aristotle. However it is primarily associated with the economist-philosopher, Amartya Sen. See *Development and Freedom*, 1999; *The Idea of Justice*, 2009; *Inequality Reexamined*, 1992.



APPENDIX 2: HUNT REVIEW SUMMARY RECOMMENDATIONS¹²⁹

"Mutuals help to create an economy and society that works in the interests of the widest number of people by sharing power and the rewards of business. Mutuals bring:

- Enterprises that spread wealth and prosperity
- Financial services that work for consumers
- Institutions that protect the public interest

By its actions, the Government can help to grow the mutual sector, enabling mutuals to fulfil their potential and thereby deliver a wide range of public policy objectives, such as:

- Create diversity in business, which will act as a counterbalance to mitigate systemic risk to the economy
- Establish longer-term business strategies
- Provide competition and choice for consumers in a range of markets
- Spread wealth throughout the country
- Re-build and maintain public trust in business
- Create business structures for public service providers that keep them accountable to their users and taxpayers
- Provide business structures that protect the public interest

This report proposes 37 recommendations for change that will enable mutuals to make their full contribution to our economy and society.

Government should embrace this agenda as its own – and commit to the actions necessary for growth, prosperity and fairness to flourish in the United Kingdom.

Leadership through policy and fiscal measures

The policy priorities and supporting fiscal environment will determine the direction of the next Government.

1. Government should adopt a series of principles, which will guide the actions of the next administration in dealing with mutual business.

These principles will ensure that:

- Mutuals can compete freely and on fair terms with all types of business
- Legislation and regulation for mutuals matches the best standards for any business
- It is as easy and cost effective to set up and run a mutual as other business forms
- Government policy recognises the value of mutual business and provides appropriate incentives for their creation and development

¹²⁹ From the *Hunt Review*, December 2014

- The unique contribution that mutuals can make in public and community services is recognised and supported by Government
- Mutuals are championed by Government alongside other forms of business ownership
- Ultimately, the mutual sector is enabled to grow

2. In order to ensure that there is equitable treatment for all corporate forms:

- Government should adopt a clear manifesto commitment to promote all types of mutual ownership and corporate diversity in general.

3. To ensure that mutual ownership is understood and that the concept is not abused by misrepresentation:

- Government should adopt a clear and inclusive definition of mutual business that includes customer, employee and mixed ownership mutuals

4. Tax incentives for share ownership in companies should apply equally to all corporate forms:

- Fiscal measures should promote mutual ownership as much as share ownership

5. Employee ownership should be promoted as a means of spreading wealth and rewarding work:

5.1 Government should commit to continue and build upon the work of the Nuttall Review of employee ownership

5.2 Government should go further by introducing new provisions aimed at achieving a radical shift in the impact Employee Ownership has on an individual's working life, and therefore on the economy

5.3 Government should introduce a new savings and investment account – a "working life ownership account" through which the proceeds of employee share ownership and financial participation can be ported between employments

5.4 Government should review the existing tax reliefs for Employee Ownership in order to introduce a new tax-approved scheme comprising the three elements of: all-employee participation; working life forum; working life ownership account

Improving the architecture of Government

The manner in which mutuals are able to interact with the institutions of government will play a key role in the effectiveness of any policy direction. Reforms are required to ensure that this is managed properly.

6. The anomaly whereby HM Treasury is responsible for much of mutuals legislation should be corrected:

- Mutuals should be treated as a mainstream business form alongside companies, with responsibilities transferred from HM Treasury to the Department for Business, Innovation and Skills (BIS)

7. To provide the Government with a coherent focus, leadership and responsibility for working with mutuals:

- All parties should appoint a (shadow) Minister for Mutuals

8. In order to lower the costs, simplify the procedure and mainstream the administration of mutual business registration:

- Government should transfer mutual registration functions to Companies House



9. To establish a solid evidence base for future policy decisions:

- Government should ensure that regular official statistics are collected about mutual businesses

Reforms to the laws and regulations governing mutuals

A suitable legal and regulatory framework is essential to allow mutuals to fulfil their potential, but too often, it has acted as a barrier to growth and innovation. This imbalance should be corrected to allow mutuals to compete on a level playing field with other corporate forms.

10. Mutuals should be able to choose to adopt legally binding protection from asset stripping and demutualisation:

- Government should act to safeguard mutual ownership by removing incentives for demutualisation

11. To avoid the misleading of consumers through misrepresentation of firms as 'co-operatives' when they are owned by external investors:

- Government should legislate to protect the use of the term 'co-operative'

12. In order to learn from and share the benefits of the best international standards of treatment of mutuals:

- Government should work positively with EU partners to build shared Regulatory standards

13. Legislation should open up new capital raising opportunities for mutuals:

- New capital instruments are required to allow mutuals to raise funds for new investment and members of mutuals should be permitted to invest in their firms through new investing shares

14. The law governing mutual insurers should be modernised:

- Government should legislate for a new mutual insurance Act to update legislation for friendly societies & mutual insurers

15. The financial capability of consumers should be promoted as a way to help them to have the confidence to save for the future and to make good financial decisions which also reduce long term reliance on State welfare. As part of this, Government should act to ensure that life insurance and pension funds are accessible, understandable and fair to those who contribute to them:

These objectives can only be achieved once:

- Financial service providers take responsibility for the lifelong financial education of their customers
- Greater transparency and competition in financial services products is achieved
- Pension providers, insurance companies and banks who distribute these products are obliged to offer the best value products and funds to their customers as well as their own offerings
- The cost of providing advice is reduced and an advisory regime is introduced which makes financial advice available to the general public at a realistic cost

16. Financial regulators should be responsible for ensuring that a wide range of providers is available to consumers:

- The Financial Services Act should be amended to introduce a Statutory obligation on regulators to measure and promote corporate diversity in financial services

17 Relevant Government officials should be educated and experienced in mutual business:

- Government must ensure that regulators and Government departments have sufficient knowledge and expertise to work with mutually owned firms

18 Share ownership incentives for company employees should be available to all mutuals:

- Employee share ownership should be incentivised in consumer mutuals as it is in other businesses, by the introduction of qualifying shares

Facilitating economic growth and prosperity

The economic crisis has shown the importance of a strong mutual sector, which can act as a counterbalance to stock ownership in our economy. Measures should be taken to strengthen the role of mutuals, particularly in financial services.

19. In order to grow a mutual banking sector, committed to customer service:

- Government should consider transferring or selling government owned banking assets to existing building societies and new mutual banks that adopt blocks to future demutualisation

20. Government and investors should work together in a partnership to make a success of a British Investment Bank:

- Government should consider creating the new British Investment Bank as a mutual, owned jointly between Government and investors

21. Members of the public should be able to easily invest in national infrastructure projects:

- Government should support the development of new 'One Nation' savings products to promote consumer investment in infrastructure projects

22. A Commission on Mutual Banking should recommend measures to establish a significant mutual banking sector in the UK:

The Commission will be invited to:

- Define the role of customer owned mutual banking institutions (building societies and credit unions) in the context of a diversified and competitive financial services sector
- Propose a model for building societies and credit unions to provide full retail banking services
- Make recommendations on the consolidation or restructuring of the building society and credit union sector
- Examine the options for groups of mutual banking institutions to share back office services on a formal basis and the extent to which this model is appropriate
- Make recommendations for legislative change including elements for a new mutual banking bill
- Publish its first report within four months of commencement

23. Government should act to improve working peoples' access to fair savings and credit:

- Wherever Government is a significant employer, it should work with the credit union sector to establish credit unions for its staff, with automatic deductions from pay available for those who wish to join



24. Islamic banking and insurance should be promoted as part of a growing mutual financial services sector:

- Government should promote Islamic Finance as an integral part of increasing financial diversity

Extending mutuality in the public interest

Across the country, institutions provide services that are of great importance to the public. From public services to assets of public importance, it is essential that the public interest is protected. Mutuals can play a major role in delivering accountable institutions over the long term.

25. To avoid repeating the mistakes of past privatisation and nationalisation, Government should adopt new public interest principles when considering altering the corporate status of public service providers:

- No public service should be spun out or privatised unless clear continuing benefits to the public can be demonstrated
- Government should commit not to create private sector monopolies
- New providers must have structures in place to engage with customers and employees
- Government should always consider a mutual option before a private sector contractor is engaged
- There should be transparency on what proportion of turnover will be extracted in profits (if any)
- There should be a recognition that the cheapest bid does not always offer the best long-term value for the taxpayer

26. Any new mutuals created from state or municipal bodies should be nurtured to avoid them becoming a stepping-stone to privatisation:

- Government should adopt a clear protocol for public service mutualisation that allows sufficient time and ensures a fair and consistent approach across government departments

27. Parental and staff involvement in schools should be actively promoted:

- Government should support and promote co-operative education providers by creating a level playing field for co-operative schools

28. Large health mutuals such as NHS Foundation Trusts must use their new mutual structures better to fully empower their staff and engage with the public that they serve in order to improve healthcare standards further:

- The role of public and staff members of Foundation Trusts should be strengthened

29. Social housing providers should promote greater tenant and employee engagement:

- Social landlords should be encouraged to adopt the 'Rochdale' housing model that empowers both staff and tenants

30 National public services should be directly accountable to their customers and other stakeholders:

- Government should ensure that, where appropriate, providers of major national services are operated in the public interest through mutual structures

31. Government should make the UK Rail network more accountable to the public:

- Rail franchises should be altered so that they better serve the public interest
- Where franchises are forfeited to Government the Government should examine the option of setting them up as independent mutuals

32. Government should act to promote supporter involvement and ownership in football clubs as a strategy for building trust and confidence for the long term:

- Government should ensure that the football authorities engage supporters in the running of clubs, and learn from models such as the German football league
- Supporters Direct should have a stable and predictable funding from the proceeds of football
- Government should legislate to protect certain football community assets (club colours, club name, home ground ownership and the rights to securitise assets) from sale or abuse

What mutuals should do for themselves

Government will not be able to provide all of the answers for the mutual sector - as true self-help organisations, mutuals were established by like-minded people seeking to solve everyday problems. There are a number of actions that the sector itself can take to help to plan its own future and ensure that mutuals play a full part in our economy and society.

33. To ensure the consistent engagement of all mutuals in the sector:

- Mutuals of all types should work together, and the largest firms in each sector should provide a leadership role

34. Sub-optimally sized mutuals should take urgent action to better serve their members:

- In some sectors, mutuals are too small to serve their members properly. In such cases, they should consider merging together to create robust businesses

35. The UK mutual sector should be less insular and co-operate more with other mutuals internationally:

- The sector should pool its expertise to help develop answers to common problems, innovating and learning from the best international examples and participating in pan-national mutual groups

36. All mutuals should be responsible for working towards the highest levels of transparency and quality of service:

- Mutuals should ensure that they adopt the highest standards of corporate governance

37. To avoid duplication and waste of resources in the sector:

- Mutual trade bodies should work together to share resources
- They should urgently consider merging common functions
- They should evaluate the benefits of full mergers."



APPENDIX 3: DIGITAL BY DEFAULT SERVICE STANDARD¹³⁰

1. "Understand user needs. Research to develop a deep knowledge of who the service users are and what that means for digital and assisted digital service design.
2. Put in place a sustainable multidisciplinary team that can design, build and operate the service, led by a suitably skilled and senior service manager with decision-making responsibility.
3. Evaluate what user data and information the service will be providing or storing, and address the security level, legal responsibilities, and risks associated with the service (consulting with experts where appropriate).
4. Evaluate the privacy risks to make sure that personal data collection requirements are appropriate.
5. Evaluate what tools and systems will be used to build, host, operate and measure the service, and how to procure them.
6. Build the service using the agile, iterative and user-centred methods set out in the manual.
7. Establish performance benchmarks, in consultation with GDS, using the 4 key performance indicators (KPIs) defined in the manual, against which the service will be measured.
8. Analyse the prototype service's success, and translate user feedback into features and tasks for the next phase of development.
9. Create a service that is simple and intuitive enough that users succeed first time, unaided.
10. Put appropriate assisted digital support in place that's aimed towards those who genuinely need it.
11. Plan (with GDS) for the phasing out of any existing alternative channels, where appropriate.
12. Integrate the service with any non-digital sections required for legal reasons.
13. Build a service consistent with the user experience of the rest of GOV.UK by using the design patterns and the style guide.
14. Make sure that you have the capacity and technical flexibility to update and improve the service on a very frequent basis.
15. Make all new source code open and reusable, and publish it under appropriate licences (or give a convincing explanation as to why this can't be done for specific subsets of the source code).
16. Use open standards and common government platforms (e.g. GOV.UK Verify) where available.
17. Be able to test the end-to-end service in an environment identical to that of the live version on all common browsers and devices. Use dummy accounts and a representative sample of users.
18. Use analytics tools that collect performance data.
19. Build a service that can be iterated on a frequent basis and make sure resources are in place to do so.

¹³⁰ A newer 18 point standard was recently published on www.gov.uk/service-manual/digital-by-default

20. Put a plan in place for ongoing user research and usability testing to continuously seek feedback from users.
21. Establish a benchmark for user satisfaction across the digital and assisted digital service. Report performance data on the Performance Platform.
22. Establish a benchmark for completion rates across the digital and assisted digital service. Report performance data on the Performance Platform.
23. Make a plan (with supporting evidence) to achieve a low cost per transaction across the digital and assisted digital service. Report performance data on the Performance Platform.
24. Make a plan (with supporting evidence) to achieve a high digital take-up and assisted digital support for users who really need it. Report performance data on the Performance Platform.
25. Make a plan for the event of the service being taken temporarily offline.
26. Test the service from beginning to end with the minister responsible for it.”





collinsinstitute.ie