

# **NATIONAL ECONOMIC AND SOCIAL COUNCIL**

## **The Future of the National Economic and Social Council**

No. 54

**NATIONAL ECONOMIC AND SOCIAL COUNCIL  
CONSTITUTION AND TERMS OF REFERENCE**

1. The main task of the National Economic and Social Council shall be to provide a forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice, and to advise the Government, through the Taoiseach on their application. The Council shall have regard, *inter alia*, to:
  - (i) the realisation of the highest possible levels of employment at adequate reward.
  - (ii) the attainment of the highest sustainable rate of economic growth.
  - (iii) the fair and equitable distribution of the income and wealth of the nation,
  - (iv) reasonable price stability and long-term equilibrium in the balance of payments,
  - (v) the balanced development of all regions in the country, and
  - (vi) the social implications of economic growth, including the need to protect the environment.
2. The Council may consider such matters either on its own initiative or at the request of the Government.
3. Members of the Government shall be entitled to attend the Council's meetings. The Council may at any time present its views to the Government, on matters within its terms of reference. Any reports which the Council may produce shall be submitted to the Government and, together with any comments which the Government may then make thereon, shall be laid before each House of the Oireachtas and published.
4. The membership of the Council shall comprise a Chairman appointed by the Government in consultation with the interests represented on the Council,
  - Ten* persons nominated by agricultural organisations,
  - Ten* persons nominated by the Confederation of Irish Industry and the Irish Employers' Confederation,
  - Ten* persons nominated by the Irish Congress of Trade Unions,
  - Ten* other persons appointed by the Government, and
  - Six* persons representing Government Departments comprising one representative each from the Departments of Finance, Agriculture, Industry, Commerce and Tourism, Labour and Environment and one person representing the Departments of Health and Social Welfare.

Any other Government Department shall have the right of audience at Council meetings if warranted by the Council's agenda, subject to the right of the Chairman to regulate the numbers attending.

5. The term of office of members shall be for three years renewable. Casual vacancies shall be filled by the Government or by the nominating body as appropriate. Members filling casual vacancies may hold office until the expiry of the other members' current term of office and their membership shall then be renewable on the same basis as that of other members.
6. The Council shall have its own Secretariat subject to the approval of the Taoiseach in regard to numbers, remuneration and conditions of service.
7. The Council shall regulate its own procedure.

# NATIONAL ECONOMIC AND SOCIAL COUNCIL

## *The Future of the National Economic and Social Council*

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## NATIONAL ECONOMIC AND SOCIAL COUNCIL MEMBERS

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Dr. B. Hensey	Senator N. Mulcahy	Prof. W. J. L. Ryan
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### *Nominated by the Confederation of Irish Industry*

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## THE FUTURE OF THE NATIONAL ECONOMIC AND SOCIAL COUNCIL

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## SUMMARY OF RECOMMENDATIONS

- A. The Council believes that its key role is, and should continue to be, to act as a consultative forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice, and to advise the Government on their application. It believes that since it is the only forum where national organised interests representing employers, employees and the farming community, together with independents and senior public servants meet to prepare advice and recommendations to the Government in relation to both economic and social development, it has an important role to play. In short, it believes there will be a continuing need for a National Economic and Social Council and that this should be clearly indicated by the Government (Par. 8).
- B. The Council should have a continuing existence independent of the terms of office of its members. It should be formed into a company limited by guarantee (Par. 14).
- C. There should be no general reduction in the number of Council members (Par. 19).
- D. There should be a continued representation of Government Departments on the Council. These should be composed of Secretaries of the main economic and social Departments (Par. 24).
- E. The Council should be able to offer contracts of at least five years to its employees (Par. 28).
- F. The Council's work programme should be composed as follows:
- (i) commenting on issues referred to it by the Government;

- (ii) three to four major policy reports per annum. One of these reports would be an economic and social review;
  - (iii) reports commissioned from independent consultants;
- (Paras. 31 and 32).

G. The Council should be free to publish its reports at the same time as they are submitted to Government (Par. 33).

H. The Government have issued statements accompanying twenty-seven of the forty-nine Council reports which have been published to date. These statements, however, have been of a general nature and do not make clear the Government's attitude to Council recommendations. A more specific indication in future by Government of its views and intentions in relation to the recommendations of the Council is desirable, and would be compatible with the role which Government has given to Council. This need not occur at the time when the Council reports are published, but could occur at a later stage (Par. 43).

I. There is evidence that members of the Oireachtas are referring more to Council reports in recent times. During the past year, for instance, several parliamentary questions have arisen from Council reports and recently there has been a Dail debate on Council Report No. 48, *Transport Policy*. The Council looks forward to a situation in which any relevant Council reports are purposefully drawn upon in debates on Departmental estimates, motions and draft legislation, in the recognition that they are a considered contribution, by way of information and advice of a widely representative body set up specially to offer advice on the principles which should guide economic development and the search for social justice (Par. 44).

## THE FUTURE OF THE NATIONAL ECONOMIC AND SOCIAL COUNCIL

### I INTRODUCTION\*

1 The National Economic and Social Council is now in its seventh year of operation. Announcing the formation of the Council on 5 November 1973 the Minister for Finance, Mr. Richie Ryan, T.D., stated:

"The National Economic and Social Council will hold its first meeting later this month.

The primary function of the Council will be to advise the Government on the development of the national economy and the achievement of social justice.

The Council will be representative of the three great economic interests, the employers, organised workers and farmers. These groups have now all nominated their representatives, and the Government has completed its nominations.

The Government attaches great importance to the National Economic and Social Council as a forum in which views can be exchanged between people who have a common interest in the development of our economy and in the pursuit of social justice".

The Terms of Reference and Constitution of the Council as set out in Appendix A of this report were agreed between the interests represented on the Council and the Government. The terms of office of the first members was to be three years and this was later extended to four years ending on 31 December 1977. The terms of office of the present members of the Council is for three years ending on 31 December 1980.

2 The NESC was given a wider terms of reference than the National Industrial Economic Council (NIEC). The NIEC was set up in 1963:

\*This report was approved by Council at its meeting on 19 June, 1980.

“to prepare general reports expressing the views of the Council on the principles which ought to be applied for the development of the national economy and the realization and maintenance of full employment at adequate wages with reasonable price stability and reasonable long-term equilibrium in the balance of external payments”.

The membership of the NIEC did not make specific provision for representatives from the agricultural organisations. Unlike the NESC, the NIEC was not specifically charged with discussing the principles of social policy. The NIEC was discontinued in January 1970.

3 On 21 December 1976 in the course of his address to the NESC the Minister for Finance suggested that:

“the Council might consider in the light of its three years’ experience, whether any changes might be made in its structure or methods of operation with a view to improving its capacity to fulfil the role envisaged for it by the Government”.

The Council considered the various views on structure and methods of working at its meetings on 23 June and 22 July 1977. It was decided that there was a need for clarification of the Government’s views on the Council.

4 At its meeting on 22 July 1977, the Council asked the Chairman to write to the Minister for Economic Planning and Development, Dr. Martin O’Donoghue, T.D., who had taken over responsibility for the NESC, to emphasise the importance of the following to the effectiveness of its work:—

- (a) an assurance regarding the length of life of the Council;
- (b) an independent secretariat;
- (c) an assurance of adequate resources for the Council;
- (d) publication of reports within a reasonable period after submission to the Government;
- (e) a response by Government to each report.

The Council believed that its effectiveness had been reduced by the uncertainty about its continued existence. The response from the

Minister for Economic Planning and Development together with the Government decision that the Council should continue until 31 December 1980 (Appendix B) eased some of the difficulties under which the Council had to work.<sup>1</sup>

5 In an exchange of views between NESC and the Minister for Economic Planning and Development on 19 April 1979 the Minister indicated that the Government would be reviewing the future of NESC towards the end of 1980 and he asked the Council to review, in this context, its structure and what its future role should be. This was to be a fuller review than had taken place in 1977.

6 The Council has now completed this review.<sup>2</sup> This has included an examination of the structure and modus operandi of economic and social councils in EEC member states and in other countries (Appendix D). Most of the concerns referred to in paragraph 4 are still relevant. In addition, this report discusses some changes which the Government might consider making to the form and structure of the Council in order to enhance the effectiveness of the Council.

7 Following the re-allocation of responsibilities within the Government during January 1980, it was decided by the Government that the NESC should report to the Government through the Taoiseach. The Taoiseach has, since then, indicated to the Chairman that it is his intention that the Council’s views will be taken into account when the Government is considering the future of the Council.

## II THE ROLE OF THE NATIONAL ECONOMIC AND SOCIAL COUNCIL

8 Under the Constitution and Terms of Reference of the National Economic and Social Council its main functions are “to provide a forum

<sup>1</sup>These events are treated in detail in NESC, Report No. 39.

<sup>2</sup>The Secretaries of Government Departments on the Council felt that it would be inappropriate for them to offer comments because the review involves specific issues — including their own membership of Council — about which it would be necessary for them to advise Ministers.

for discussion...and to advise the Government". The issues to be discussed and advised upon are "the principles relating to the efficient development of the national economy and the achievement of social justice". The specific topics considered by the Council may be chosen either on its own initiative or at the request of the Government. Appendix A contains the present Constitution and Terms of Reference of the NESC. The Council believes that its key role is, and should continue to be, to act as a consultative forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice, and to advise the Government on *their* application. Its modus operandi should be such as to ensure that the views it submits to the Government are laid before the Dail and Seanad and, through publication, available to the community at large. It believes that, since it is the only forum where national organised interests representing employers, employees, and the farming community together with independents and senior public servants meet to prepare advice and recommendations to the Government in relation to both economic and social development, it has an important role to play. In short, it believes there will be a continuing need for a National Economic and Social Council and that this should be clearly indicated by the Government.

9 The membership of the NESC is constituted to make it a representative forum of the principle economic interest groups and of independent members. The Council comprises a Chairman, appointed by the Government after consultation with the interest groups,

*Ten* persons nominated by agricultural organisations,

*Ten* persons nominated by the Confederation of Irish Industry and the Irish Employers' Confederation,

*Ten* persons nominated by the Irish Congress of Trade Unions,

*Ten* other persons appointed by the Government (i.e. independent members), and

*Six* persons representing Government Departments.

10 The Council has a role in informing to the Oireachtas and the public under Article 3 of its Constitution:

"Any reports which the Council may produce shall be submitted to Government and, together with any comments which the Government may then make thereon shall be laid before each House of the Oireachtas and published."

The requirement to publish its reports is an important aspect of the Council's operation. At the time when this report was approved forty-nine Council reports had been published, one more had been submitted to Government prior to publication and a further two were in printing.

11 The environment in which the Council operates has changed since its establishment. The number of areas where absence of background material was, in the opinion of the Council, a hindrance to Government policy has been reduced. The members of the Council are, in addition, with the benefit of experience of its operation now in a better position to examine critically how a future advisory council on economic and social development should operate and be structured. The following sections discuss the ways by which the Council meets its mandate and indicate where it is felt that changes should take place.

### III. LEGAL BASIS

12 The NESC was set up in November 1973 under a Government decision. The initial term of office of members was set for three years, and was renewable. Council vacancies were to be filled by the Government or by the nominating bodies as appropriate. In November 1976 the Government decided that the Council, as then constituted, should continue in existence for a further one year. During 1976 and the early part of 1977 there was considerable uncertainty about the future of the Council. However, in November 1977 the members of the Council were informed that the Government had decided that the Council should continue until 31 December 1980.<sup>1</sup>

13 The Council draws a distinction between the terms of office of the members and the life of the Council. In the Report *The Work of the NESC: 1974-1976*,<sup>2</sup> submitted to Government on 4 February 1977 it was stated:

<sup>1</sup>The events of this period are set out in more detail in NESC Reports Nos. 32, 39.

<sup>2</sup>NESC Report No. 32.

“The organisations represented on the Council wish to state that they consider that the Council has a continuing existence and that only the members are appointed for a fixed period”.

This is still the view of the Council.

14 The Council as present constituted is not a legal entity. If it were intended to sue the Council in a Court of Law the plaintiff would have to enjoin the Minister (or Taoiseach) whose Departmental Vote funded the Council. The members of the secretariat are, in effect, employed by the appropriate Minister with the Council acting as his agent. A decision to make the Council a legal entity would underline the distinction between the terms of office of its members and the Council’s own existence. It would also help to overcome the continuing difficulties encountered in the recruitment of staff to the secretariat (see Section 6).

15 The Council gave much thought to the desirability of having NESC set up under an Act of the Oireachtas. It has concluded, however, that such a change in its status could have the detrimental effect of eventually reducing the flexibility of the Council to adapt itself to changing circumstances. It considers that the best course would be for the Council to be formed into a company, limited by guarantee.

#### **IV. COMPOSITION AND SIZE**

16 The total membership of the Council is forty-seven, including the Chairman, and at the time of writing there were three vacancies for independent members. The Council is of the opinion that the present structure of membership broadly provides an appropriate basis for a representative forum of the main socio-economic interest groups and of independent members. The Council holds the view that the present size of the Council should not be increased.

17 There are two main arguments which favour the retention of the Council at its present size. First, the present figure of ten nominees from each group ensures that different views within the groups can be included. Furthermore, each individual representative brings different

experiences and specialist knowledge to the deliberations of the Council. Second, due to other heavy commitments on the time of members, the present number of nominees is necessary to ensure that the groups are adequately represented at all meetings of the Council.

18 It is argued, in support of reducing the size of the Council, firstly, that the members of the smaller body would have a relatively greater involvement in the discussions and reports of the Council. Second, the smaller membership would make it easier for members to appreciate each others point of view and thus reduce the possibility of misunderstandings interfering with the pursuit of common objectives. Third, given the heavy demands on the senior personnel from the interest groups, it will sometimes be difficult to find suitable representatives.

19 The main issue in deciding whether the membership of the Council should be reduced is whether by so doing it would lose some of its qualities as a forum for discussion among the main interest groups, independents and representatives of Government Departments. Any reduction in the number of Council members will mean the loss of some of its expertise and representativeness. The Council does not believe that its effectiveness has been reduced by any excess in the number of members. It does not, therefore, hold the view that there should be a general reduction in the number of Council members.

#### **The Chairman**

20 The Constitution of the Council provides that its Chairman shall be “appointed by the Government in consultation with the interests represented on the Council”. Some members believe that it is undesirable to differentiate between members in this respect and recommend that consultation should take place with *all* members of the Council.

#### **V. THE REPRESENTATION OF GOVERNMENT DEPARTMENTS**

21 The previous Section dealt in general terms with the question of changing the size of the Council. A more specific possibility would be to discontinue or reduce the representation of one or more of the five



groups represented on the Council. In practice, given the basic principle that the Council includes representatives of the main interest groups, the only two groups relevant to a discussion on discontinuation of representation are the independent members and the representatives of the Government Departments. The members representing the interest groups stress that the independent members have made a valuable contribution to the work of the Council. The present Council holds the view that the membership of the independents is an integral part of the Council's operation and should continue to be so.

22 There are pros and cons in the representation of Government Departments on the Council. There are three main arguments against their continued membership:

- (a) There is a difficulty in reconciling their support for NESC reports with their role as advisers to their Ministers;
- (b) The representation of a selected number of Departments requires the seemingly unjustified exclusion of others;
- (c) The main contribution of Departmental representatives is as specialists within their respective fields of responsibility. It would be better to request their assistance at Committee and Council level when discussing topics in which they are specialists. This already happens in the case of Government Departments which are not represented on the Council.

23 The main arguments which favour the membership of representatives of Government Departments are:

- (a) Support for Council reports does not commit Departmental representatives in their official capacity;
- (b) Their involvement in the Council discussions ensures that the pitfalls, as perceived by the Civil Service, associated with the acceptance by Government of certain recommendations are considered by the Council;
- (c) The involvement of representatives of Government Departments in the proceedings of the Council also improves the effectiveness of the Council's advisory role through ensuring that the executive arm of Government has a full appreciation and understanding of the Council's view(s).

24 There have been representatives of Government Departments on the Council since its inception. In the opinion of the other members, they have made a valuable contribution. The Council believes that the representation of Government Departments should be maintained. It would be desirable that, as heretofore, the nominees should be Secretaries of Government Departments. They should be composed of representatives from the main economic and social Departments. Those Departments which were not represented on the Council would, as at present, be invited to send a representative when the Council was discussing issues within their Departmental responsibility.

## VI. THE SECRETARIAT

25 The number of full-time staff in the Council's secretariat has always been kept small. At the time of writing there were six staff working on a full-time basis. The duties of two of these include general analysis and evaluation, the drafting of reports and acting as secretaries of the Council or the Committees. It is intended to engage two more who will replace researchers who resigned recently. The remaining staff are concerned with general administrative, clerical and typing duties. It has been the general approach in recruiting staff for the secretariat to look for individuals with a broad interest and experience in economic or social policy. Their work on certain specific areas has been supplemented by "buying in" expertise. This has been done either by involving individuals on a part-time basis to work in co-operation with the secretariat or by commissioning consultants to carry out specified studies.<sup>1</sup>

26 The practice of bringing in outside help has been satisfactory in most cases. The use of consultants means that first-rate expertise can be used to develop a framework for the discussion of a particular policy. Whereas the Council does not necessarily support the views expressed by a consultant, there is still a responsibility on the secretariat to ensure that the finished product is of a good technical standard and in accord with the Council's requirements. Sometimes this leads to heavy demands on the time of the secretariat.

<sup>1</sup> Consultants were used in the preparation of twenty-four of the fifty reports approved by the Council up to the end of December 1979.

27 The Council has obtained many of its staff on secondment from various bodies or agencies. It has endeavoured also to recruit staff direct by advertisement in the public press. Nevertheless, it has still experienced a high turnover of staff. This is, in part, a reflection of the fact that it is unable to offer much security to its employees. For example, at present it is not possible for the Council to offer a contract of employment that extends beyond the present terms of office of its members (31 December 1980) because it does not know whether the Council itself will be in existence beyond that date. It has also been evident that not all organisations are willing to facilitate the Council with secondment arrangements. Moreover, it is the view of the Council that the difficulty in recruiting staff independently is a potential obstacle to the effective functioning of the Council. Ideally, the Council should be able to recruit staff with contracts of employment extending up to five years.

28 It there was an assurance of continuity in the life of the Council and a corporate identity through the Company Acts then most of the problems of its secretariat would be solved.

## VII. THE WORK OF THE COUNCIL

29 At the time this report was finalised forty-nine Council reports had been published, a further report had been submitted to Government before publication and two more were in the course of printing. A list of these reports is given in Appendix C. The subject of the reports was either chosen on the Council's own initiative or at the request of the Government. The Council gave a high priority to reporting on matters referred to it by the Government.

30 In the Government statement of 1 December 1977 announcing the decision that the NESc should continue until 31 December 1980 it was said:—

“ . . . significant topics remain which could benefit from examination by the Council in the future. These include appropriate strategies for expansion of employment in the manufacturing and services sectors

of the economy similar to the Council's present examination of the agricultural sector”.

The completed series of Council reports on agriculture have now been published.<sup>1</sup> It is intended that the full series of reports on industrial policy will be completed before the end of 1980.

31 The Council at its meeting of 21 June 1979 took the following decisions regarding its future work programme:

- (i) The number of major Council reports submitted to Government each year should ideally be three or four. These reports should concentrate on strategic policy issues and should have a more substantial input by Council than the normal type of “Part I” comment. It was agreed that work relating to incomes policy could come within the ambit of these reports, depending on circumstances;
- (ii) One of these major reports should take the form of an annual economic and social review, with attention being given to the impediments to economic and social development;
- (iii) Reports by independent consultants should continue to be commissioned where there still appeared to be gaps in the information necessary for policy formulation. These reports should be submitted to Government as Council reports and need not necessarily be accompanied by Council comments other than a short preface.

32 The Council believes that the decisions outlined above should provide the basis for the future output from NESc. In addition, priority would be given to commenting on issues referred to the Council by the Government. The overall effect would be to increase the direct involvement of the Council and the secretariat in the preparation of reports and it would emphasise the consultative aspects of the Council's role.

## VIII. THE PUBLICATION OF COUNCIL REPORTS

33 The Council believes that early publication of its reports is a vital element in the fulfilment of its role. As arrangements stand at present the

<sup>1</sup>NESC Report Nos. 24, 27, 34, 40, 42.

timing of publications is determined by that part of the Council's Constitution which says:—

“Any reports which the Council may produce shall be submitted to the Government and, together with any comments which the Government may then make thereon, shall be laid before each House of the Oireachtas and published”.

In effect this means that NESC cannot publish any report until the Government has considered it and decided whether or not to issue a statement on it. This introduces an unavoidable delay into the process whereby after the Council has formulated its views on policy these views are made public. For instance, the average period between the submission of reports to Government and their eventual publication by NESC during 1978 and 1979 was *twelve* weeks. While this was a notable improvement on the previous year when the average delay was five months, it still falls considerably short of the Council's objective. Of the two recent reports published by the Council the first had been 25 weeks and the second 20 weeks awaiting a decision by the Government. The Council believes that given the importance of early publication, so that its policy advice to Government is also available to the Community at the earliest possible date, it should have the freedom to publish its reports at the same time as they are submitted to Government.

#### **IX. THE NATIONAL ECONOMIC AND SOCIAL COUNCIL AND OTHER BODIES**

34 The Terms of Reference given to the Council make it inevitable that at times it discusses issues which are also the subject of investigation or research by other bodies. While there is always a risk of overlap, the Council believes that duplication has not arisen to any significant extent in the past. It commissions research of its own only in those areas where it is not possible to draw on analyses already available.

35 Since the inauguration of the NESC a significant number of new inter-Departmental Committees, State-sponsored and other bodies have become more involved in research and the offering of advice. Two examples, by way of illustration, are the Environment Council which was

set up by the Minister for the Environment in June 1978 and the National Manpower Consultative Committee set up by the Minister for Labour in November 1978. The functions of the Environment Council include the preparation of a national environment policy and reporting on the state of the environment. The Environment Council includes members from industry, agriculture, trade unions and the public service. The functions of the Manpower Consultative Committee are to advise on the role of manpower policy in economic and social development. It is composed of representatives of employers, trade unions and government agencies, together with an independent member nominated by the Minister for Labour.

36 The Council has examined whether there is a need to change its Constitution and Terms of Reference in the light of the establishment of these new committees and councils. It has concluded that there is no need for change. It does, however, see the need for liaison between the various bodies in order to avoid overlap and duplication of functions and to ensure optimum utilisation of scarce resources.

#### **X. THE IMPACT OF THE COUNCIL**

37 In assessing its future, the National Economic and Social Council must raise the question whether or not its past work and activities have been useful.

38 There are two aspects of this question and they derive from the two-fold task given to NESC, by the Government, in its Constitution and Terms of Reference:—

- (i) to provide a forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice, and
- (ii) to advise the Government on the application of these principles.

39 In relation to the first part of its task, NESC, as at present constituted, provides the only forum where the representatives of the trade union movement, the employers, the farming organisations, the co-operative movement, the industrial sector together with independent

members and senior public servants meet regularly to discuss and reach conclusions on matters relating to economic and social policy. The Council has reviewed its experience of this in the context of the present report. It believes that this forum for discussion has been successful. It has enabled the interest groups on NESC and the independents to understand and appreciate each other's points of view and respective constraints, and to reach a broad measure of agreement on many important policy issues in the economic and social spheres. It has also enabled them to isolate those areas where general agreement is not possible and to debate, within a constructive and harmonious environment, the reasons for dissension and the alternatives. Last but not least, the Council has provided regular opportunities for informal communication between the members and this can have beneficial effects, over a wide area. In short, NESC believes that its discharge of the first part of its task has been successful and well worthwhile.

40 In relation to the second part of its task, advising the Government on the application of the principles relating to the efficient development of the national economy and the achievement of social justice, the Council can only be specific on the fact that it did offer advice to the Government. As an illustration, the main advice and recommendations on policy contained in seventeen of the Council's reports are set out in Appendix E<sup>1</sup>. The Council has so little information on the extent to which this advice has been acted upon that it is not in a position to measure its effectiveness as an advisory body.

41 There are special reasons why it is difficult to assess the effects which NESC policy recommendations have had on policy decisions of the Government. Time-lags of irregular length ensue between the receipt of advice and the taking of decisions by the Government. Policy advice and submissions may be coming to the Government from a variety of sources, apart from the Council. The decisions of Government are generally not attributed to any source. Many of the Council's recommendations have been of a medium to long term nature and have been expressed in general terms. The changing of policy on foot of advice

<sup>1</sup>The seventeen reports covered in Appendix E are shown by way of example. Summaries of the 31 reports published between April 1974 and September 1977 are given in NESC Reports Nos. 32 and 39.

may be a long drawn out procedure, dependent upon the achievement of political consensus. Consequently, the absence of acceptance by Government of NESC's recommendations need not mean that these recommendations have fallen on deaf ears.

42 Nevertheless, the Council would wish to know with respect to its recommendations which of the following has resulted:—

- (a) general acceptance by the Government, but action deferred.
- (b) acceptance by the Government, and action taken on the recommendation.
- (c) no decision taken.
- (d) rejection by the Government of the recommendation.

43 The Government have issued statements accompanying twenty-seven of the forty-nine Council reports which have been published to date. These statements, however, have been of a general nature and do not make clear the Government's attitude to Council recommendations. Thus, in most cases, the Council is not aware of any specific Government reaction to the various recommendations which have been made. It cannot rule out the possibility that much of its advice has been *either* deferred indefinitely *or* rejected by the Government. The Council believes that continued deferral of decisions, leaving them open to abandonment by a process of erosion, creates undesirable ambiguity and uncertainty. It also believes that a more specific indication in future by Government of its views and intentions in relation to the recommendations of the Council is desirable, and would be compatible with the role which Government has given to Council. This need not occur at the time when the Council reports are published, but could occur at a later stage.

44 An important feature of the effectiveness or otherwise of NESC's advice arises from the fact that all NESC reports are, in accordance with its Constitution, laid before each House of the Oireachtas and published. An examination of the Dáil and Seanad debates during the years since the establishment of NESC shows that, except in a few instances, the recommendations and advice of the Council have not been mentioned. This may, of course, be because the NESC reports on specific topics are

used as background information without attribution. Given the paucity of references to NESC reports in the Dáil and Seanad over the years since 1973, it would be hazardous to draw a positive inference as to the influence which Council has had on members of the Oireachtas. There is, however, evidence that members of the Oireachtas are referring more to Council reports in recent times. During the past year, for instance, several parliamentary questions have arisen from NESC reports and recently there has been a Dáil debate on NESC Report No. 48 *Transport Policy*. Motions for debate on two Council Reports have been tabled in Seanad Éireann, i.e., *Enterprise in the Public Sector* and *Urbanisation and Regional Development*. The Council looks forward to a situation in which any relevant NESC reports are purposefully drawn upon in debates on Departmental estimates, motions and draft legislation, in the recognition that they are a considered contribution, by way of information and advice, from a widely representative body set up specially to offer advice on the principles which should guide economic development and the search for social justice.

## APPENDIX A

### Constitution and Terms of Reference of the National Economic and Social Council

1. The main task of the National Economic and Social Council shall be to provide a forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice, and to advise the Government, through the Taoiseach on their application. The Council shall have regard, *inter alia*, to:
  - (i) the realisation of the highest possible levels of employment at adequate reward;
  - (ii) the attainment of the highest sustainable rate of economic growth;
  - (iii) the fair and equitable distribution of the income and wealth of the nation;
  - (iv) reasonable price stability and long-term equilibrium in the balance of payments;
  - (v) the balanced development of all regions in the country, and
  - (vi) the social implications of economic growth, including the need to protect the environment.
2. The Council may consider such matters either on its own initiative or at the request of the Government.
3. Members of the Government shall be entitled to attend the Council's meetings. The Council may at any time present its views to the Government, on matters within its terms of reference. Any reports which the Council may produce shall be submitted to the Government and,

together with any comments which the Government may then make thereon, shall be laid before each House of the Oireachtas and published.

4. The membership of the Council shall comprise a Chairman appointed by the Government in consultation with the interests represented on the Council,

*Ten* persons nominated by agricultural organisations,

*Ten* persons nominated by the Confederation of Irish Industry and the Irish Employers' Confederation.

*Ten* persons nominated by the Irish Congress of Trade Unions,

*Ten* other persons appointed by the Government and

*Six* persons representing Government Departments comprising one representative each from the Departments of Finance, Agriculture, Industry, Commerce and Tourism, Labour and Environment and one person representing the Departments of Health and Social Welfare.

Any other Government Department shall have the right of audience at Council meetings if warranted by the Council's agenda, subject to the right of the Chairman to regulate the numbers attending.

5. The term of office of members shall be for three years renewable. Casual vacancies shall be filled by the Government or by the nominating body as appropriate. Members filling casual vacancies may hold office until the expiry of the other members' current term of office and their membership shall then be renewable on the same basis as that of other members.

6. The Council shall have its own Secretariat subject to the approval of the Taoiseach in regard to numbers, remuneration and conditions of service.

7. The Council shall regulate its own procedure.

## APPENDIX B

### **The Future of the National Economic and Social Council**

**(Statement issued by the Government Information Services on behalf of the Government, by the Minister for Economic Planning and Development, 1 December, 1977)**

The Government, having reviewed the role of the National Economic and Social Council, have decided that the Council should continue until 31 December, 1980. The Government are of the view that the Council provides a valuable forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice. Much of the work commissioned by the Council has usefully quantified some of the issues involved. While the Council's work has covered many aspects of economic and social development, significant topics still remain which could benefit from examination by the Council in the future. These include appropriate strategies for the expansion of employment in the manufacturing and services sectors of the economy similar to the Council's present examination of the agricultural sector.

The Government would also like to see a strengthening of the Council's role as adviser on the application of relevant principles for economic and social development. It is appreciated that real difficulties face a representative group in striving for agreed advice on specific applications of principles, even when these principles are generally acceptable. The Council might therefore wish to consider whether the difficulties they face in the provision of agreed advice could be alleviated to some extent were they to put forward, in relation to particular issues, a number of policy options which they thought worthy of further examination by the Government. These options — none of which need necessarily command the agreed support of Council members — should nevertheless fall within a range of policy decisions which Council members could regard as acceptable.

## APPENDIX C

### REPORTS BY THE NATIONAL ECONOMIC AND SOCIAL COUNCIL

#### 1. Published Reports

<i>Title</i>	<i>Date</i>	
1. Report on the Economy in 1973 and the Prospects for 1974	April	1974
2. Comments on Capital Taxation Proposals	July	1974
3. The Economy in 1974 and Outlook for 1975	Nov.	1974
4. Regional Policy in Ireland: A Review	Jan.	1975
5. Population and Employment Projections: 1971-86	Feb.	1975
6. Comments on the OECD Report on Manpower Policy in Ireland	July	1975
7. Jobs and Living Standards: Projections and Implications	June	1975
8. An Approach to Social Policy	June	1975
9. Report on Inflation	June	1975
10. Causes and Effects of Inflation in Ireland	Oct.	1975
11. Income Distribution: A Preliminary Report	Sept.	1975
12. Educational Expenditure in Ireland	Jan.	1976
13. Economy in 1975 and Prospects for 1976	Oct.	1975
14. Population Projections 1971-86: The Implications for Social Planning — Dwelling Needs	Feb.	1976
15. The Taxation of Farming Profits	Feb.	1976
16. Some Aspects of Finance for Owner-Occupied Housing	June	1976
17. Statistics for Social Policy	Sept.	1976
18. Population Projections 1971-86: The Implications for Education	July	1976
19. Rural Areas: Social Planning Problems	July	1976
20. The Future of Public Expenditures in Ireland	July	1976
21. Report on Public Expenditure	July	1976
22. Institutional Arrangements for Regional Economic Development	July	1976
23. Report on Housing Subsidies	Feb.	1977

24. A Comparative Study of Output, Value-Added and Growth in Irish and Dutch Agriculture	Dec.	1976
25. Towards a Social Report	Mar.	1977
26. Prelude to Planning	Oct.	1976
27. New Farm Operators, 1971 to 1975	April	1977
28. Service-type Employment and Regional Development	July	1977
29. Some Major Issues in Health Policy	July	1977
30. Personal Incomes by County in 1973	July	1977
31. The Potential for Growth in Irish Tax Revenues	Sept.	1977
32. The Work of the NESC: 1974-1976	Sept.	1977
33. Comments on Economic and Social Development, 1976-1980	July	1977
34. Alternative Growth Rates in Irish Agriculture	Oct.	1977
35. Population and Employment Projections 1986: A Reassessment	Oct.	1977
36. Universality and Selectivity: Strategies in Social Policy	Jan.	1978
37. Integrated Approaches to Personal Income Taxes and Transfers	Mar.	1978
38. Universality and Selectivity: Social Services in Ireland	June	1978
39. The Work of the NESC: 1977	June	1978
40. Policies to Accelerate Agricultural Development	Sept.	1978
41. Rural Areas: Change and Development	Sept.	1978
42. Report on Policies for Agricultural and Rural Development	Sept.	1978
43. Productivity and Management	Feb.	1979
44. Comments on Development for Full Employment	Dec.	1978
45. Urbanisation and Regional Development in Ireland	June	1979
46. Irish Forestry Policy	Sept.	1979
47. Alternative Strategies for Family Income Support	April	1980
48. Transport Policy	Mar.	1980
49. Enterprise in the Public Sector	May	1980

#### 2. Reports Submitted to Government Awaiting Publication

51. Personal Incomes by Region, 1977		
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### 3. Reports Adopted by Council and in the Course of Printing

- 50. Major Issues in Planning Services for Mentally and Physically Handicapped Persons
- 52. Tourism Policy

## APPENDIX D

### CONSULTATIVE ECONOMIC AND SOCIAL COUNCILS

The increasingly important and detailed role played by Governments in economic management has been accompanied in most countries by the establishment of consultative economic councils. Their establishment has also marked a growing recognition of the inter-dependence of the interest groups. An account is given below of characteristics of the:—

- (1) The national councils in the other EEC member states.
- (2) The Northern Ireland Economic Council.
- (3) The European Economic and Social Committee
- (4) The workings and proposed reforms of the Canadian Economic Council.

#### 1. THE EEC COUNCILS

All EEC national governments have set up consultative bodies to advise on the management of the economy. In general terms these bodies have two functions:—

- (i) To furnish expert advice on national economic management.
- (ii) To involve the representatives of business, labour and other professional groups in the Government's policies for national development.

With only two exceptions — in Germany and in Denmark — the councils are intended to fill both the 'expert' and 'representative' functions.

The German and Danish economic councils are designed to provide expert economic advice to Government and do not seek to have a membership representative of interest groups. The type of council in Germany has been referred to as a "Conseils des Sages" or grouping of

"wisemen". The membership consists of five prominent economists. The Council is required to review and comment on the general economic situation. It is forbidden by law to make policy recommendations.

As far as it is known there are no plans in either Germany or Denmark to set up broadly based consultative councils. In both countries, the parliament apparently believes that the establishment of such councils would represent a threat to the prestige and authority of the legislature, and in Germany to the regional governments also. There is also the view in Denmark that the country is small enough, and the other means of consultation developed to a degree that makes the establishment of a representative council unnecessary.

#### Councils Representative of Interest Groups

The other six member states have economic councils designed to bring the major interest groups into the consultative process. The names and size of these councils are set out below.

		<b>Number of Members</b>
<b>Belgium</b> (two Councils)	Central Economic Council	50
	National Labour Council	24
<b>France</b>	Economic and Social Council	200
<b>Italy</b>	National Council for the Economy and Labour	80
	Social and Economic Council	45
<b>Netherlands</b>	Economic and Social Council	29
<b>Luxembourg</b>		
<b>United Kingdom</b>	National Economic Development Council	25

The following paragraphs review characteristics of these seven Councils with regard to their relationship to Government, composition, chairmanship, channels of expression and commonly perceived problems to their operation.

#### Relationship to Governments

In the Netherlands, France and Italy the principle of a consultative body is written into the Constitution. These three, together with the



Luxembourg Council review all measures — usually at the draft stage — proposed by the Government on economic and social matters. The Italian Council has, also, the right to propose legislation in certain circumstances. The United Kingdom Government has direct representation on the National Economic Development Council. The Council is chaired by the Chancellor of the Exchequer and there are six other representatives from Government.

All the councils may consider questions within their terms of reference either at the request of Government or on their own initiative.

### **Composition**

The Councils have a roughly equal representation from the employer and worker organisations. Agriculture is included within these groupings. In most of the councils there is also provision for membership by independents. The representation of government varies. There are members of Government on the UK Council. In the other countries there is no institutionalised representation of the government. However, generally, members of government or their officials have the right of attendance.

### **Chairmanship**

In France the chairman is elected by the Council. In Belgium an independent chairman is appointed by the Crown. In the Netherlands the chairman and two vice-chairmen are chosen by the Crown — one officer from each of the tripartite groups. In Luxembourg the chairmanship is rotated every two years between the three groups. In the United Kingdom the Chancellor of the Exchequer is ex-officio chairman.

### **Channels of Expression**

Typically, a council submits its opinion together with a background study, where appropriate, to the consulting Minister. The procedure in the UK is an exception. That country's NEDC limits its objective to arriving at a consensus on ways of improving economic performance and as a general rule reports are not adopted for publication. However, the Director General of the National Economic Development Office gives a press briefing after meetings of the Council. In addition his Office does publish reports under the guidance of the Economic Development or ad

hoc committees. It is common practice among the other councils to publish reports on the general economic situation and also to produce periodic reports on the work of the council. The legislative basis of the French and Italian councils requires that their activities are referred to in the Official Gazettes.

### **Common Problems**

Many of the councils examined in the preparation of this note were in the throes of critical self-examination. Three issues of concern often referred to are decline in prestige and influence, the inability to reach consensus and the lack of impact of recommendations at sectoral level.

## **2. NORTHERN IRELAND ECONOMIC COUNCIL**

The Northern Ireland Economic Council (NIEC) was set up in 1977: "to monitor economic policy and to advise on future developments in the regional economy". It has a Chairman and 14 ordinary members. There are five representatives from business, five from ICTU and five others including a farmer and the independent Chairman. The Civil Service is not represented on the Council. The secretariat is headed by a director, assisted by two research officers, one assistant research officer and other administrative staff.

During 1978/1979 the NIEC produced reports on subjects of its own choosing or in response to a Government request. These reports included:—

- Energy Policy
- Development of Horticulture
- Air Passenger Services
- Sea Passenger Services
- The Clothing Industry

Another report, on economic and social progress in Northern Ireland, was in response to the Government discussion paper on the economy published in February 1979. The Council issued its report in June, 1979.

Much of the advice given by the Council to Government appears to be on an informal basis. There are frequent contacts with the officials of the

Northern Ireland Office. The present work programme of the Council envisages studies of engineering subcontracting, industrial development policy<sup>1</sup> and public expenditure.

### 3. THE EEC ECONOMIC AND SOCIAL COMMITTEE (ESC)

The ESC is a consultative body set up by the European Communities under the Treaty of Rome. The Committee has 144 members made up from three groups — employers, workers and other interests. There are 9 members from the Republic of Ireland. The Chairman is chosen by vote.

The ESC must be consulted on many of the Community initiatives. During 1978 the Committee issued some 120 opinions or reports. The subjects referred to the ESC include the common agricultural policy, free movement of workers, the approximation of legislative and administrative provisions and social policy measures. The Committee has advisory status only and the other Community institutions are not bound by its recommendations.

### 4. CANADIAN ECONOMIC COUNCIL

#### **The Economic Council of Canada**

This Council was set up in 1963 and charged with providing advice to Government, Parliament and the public. The terms of reference include:—

- the investigation of the medium term and long term prospects of the economy, and to compare such prospects with the potentialities of growth of the economy;
- the study of policies for balanced economic development;
- to encourage maximum consultation and co-operation between labour and management.

The Council has 28 members — a Chairman and two directors (three professional economists serving on a full-time basis) and 25 part-time members. It publishes reports either under its own general authorship, a named member of the secretariat or an outside consultant.

<sup>1</sup>Published as 'Industrial Development Policy', April 1980.

The Chairman of the Council reported on the future role of the Council in December, 1978. She proposed that the Council would continue to look for a high degree of consensus but not necessarily and always for complete unanimity. Differences of view would be expressed by written, reasoned dissent.<sup>1</sup> She also recommended more frequent direct contact with members of Government and Parliament, for example, through the establishment of a parliamentary committee.

The Chairman in her report also recommended an increase in the number of part-time members who are economists, more involvement of Council members in the management and guidance of the research programme and that members should sit as individuals and not as representatives of pre-determined constituency positions.

<sup>1</sup>This view was influenced by the experience, in considering the Government's wage and price controls in 1976, which led to the withdrawal of labour representatives.

## APPENDIX E

### RECOMMENDATIONS IN REPORTS OF THE NATIONAL ECONOMIC AND SOCIAL COUNCIL<sup>1</sup>

(REPORTS 32-48)

#### Report No. 32:

#### THE WORK OF NESC 1974-76 (September 1977)

##### Establishment

1. The organisations represented on the Council... consider that the Council has a continuing existence and that only the members are appointed for a fixed period.

##### Finance

2. The requirement to seek sanction for expenditure on each project could be seen as a threat to the Council's independence. (This is no longer the case. The Council is now financed through a block grant).

#### Report No. 33:

#### COMMENTS ON ECONOMIC AND SOCIAL DEVELOPMENT, 1976-80 (July 1977)

##### General Comment

1. This report, which contained the views of the Council on a Government Green Paper, was prepared at the request of the

<sup>1</sup>The date of publication appears in parenthesis.

Minister for Finance. The Council was in broad agreement with the diagnosis of the Country's economic problems as set out but state

"The major weakness (in the Green Paper) lies in the fact that no policies have as yet been put forward by the Government to resolve these problems".

##### Policies to Stimulate Economic Growth

2. Any additional expenditure which the proposals might involve should be consistent with the constraints on the growth of total public expenditure implicit in the Green Paper.

##### Policy Objectives

3. The prime objective of economic policy must be to raise the level of employment.

##### Economic Plan

4. A national plan should set out a consistent set of policies designed to establish the conditions in which output and employment can grow at the rates necessary to achieve rising employment and increasing standards of living.
5. The preparation of a plan should involve consultations with those expected to contribute towards achieving its objectives.

#### Report No. 34:

#### ALTERNATIVE GROWTH RATES IN IRISH AGRICULTURE (October 1977)

(The Council published this report as one of a series dealing with agricultural and rural development. This report attempted to quantify

some of the important implications of alternative rates of growth in Irish agriculture. The report was prepared by consultants. The Council's policy recommendations are contained in Report No. 42).

**Report No. 35:  
POPULATION AND EMPLOYMENT PROJECTIONS 1986:  
A REASSESSMENT  
(October 1977)**

(The Council believes that the major objective of policy must be to improve on past performance in creating employment).

1. The formulation of the appropriate policies for the evolution of incomes, and growth in efficiency and in investment is a matter of utmost urgency.

**Report No. 36:  
UNIVERSALITY AND SELECTIVITY:  
STRATEGIES IN SOCIAL POLICY  
(January 1978)**

(This was to be the first of three studies in which the Council would consider the policy implications of universality and selectivity in Irish social services. The report included a consultant's study which the Council referred to as a "pre-policy" study. This study developed a framework for reviewing social policy).

**Report No. 37:  
INTEGRATED APPROACHES TO PERSONAL INCOME TAXES  
AND TRANSFERS  
(March 1978)**

1. It is important that the progressive integration of the present system of direct taxation with the arrangements for income maintenance should be examined. (The Council believed that the schemes

described by the consultant provide a useful basis for discussing the general direction that attempts at integration should take).

2. The relevant Government Departments should:
  - (a) make estimates of the costs involved in the different schemes described in the report.
  - (b) study in detail the administrative implications of any attempts to integrate the direct tax code with arrangements for income maintenance.

**Report No. 38:  
UNIVERSALITY AND SELECTIVITY:  
SOCIAL SERVICES IN IRELAND  
(June 1978)**

(This was the second of the three studies proposed on this subject. No policy conclusions were drawn, nor recommendations put forward, as these were reserved for the third and final report).

**Report No. 39:  
THE WORK OF THE NESC: 1977  
(June 1978)**

The five main issues which required to be resolved in order to improve the effectiveness of the NESC were:

- (a) the length of life of the Council;
- (b) the independence of the secretariat;
- (c) an assurance of adequate resources for the Council;
- (d) publication of reports within a reasonable period after submission to the Government;
- (e) a response by Government to each report.

**Report No. 40:  
POLICIES TO ACCELERATE AGRICULTURAL DEVELOPMENT  
(September 1978)**

**Report No. 41:  
RURAL AREAS: CHANGE AND DEVELOPMENT  
(September 1978)**

(These two reports were part of the series prepared by the Council on agricultural and rural development. Both reports contain studies carried out by consultants. The policy conclusions drawn by the Council are in Report No. 42).

**Report No. 42:  
REPORT ON POLICIES FOR AGRICULTURAL AND  
RURAL DEVELOPMENT  
(September 1978)**

(This report contained the Council's conclusions and recommendations based on its studies of the potential for development in agriculture, and policies which would alleviate the social problems of urban areas).

**Payment for Performance**

1. A portion of the grant at present payable to farmers under the *Farm Modernisation Scheme* to be paid as a bonus upon satisfactory progress in a farm development plan.
2. Require the participation in development schemes of those with resources above a certain minimum who are in receipt of payments under the *Disadvantaged Areas Scheme*.
3. Introduce more stringent conditions for determining eligibility for *Smallholders Unemployment Assistance*, for example, the adoption of a more realistic multiplier for assessment.

**Agricultural Advisory Services**

4. Upgrading and staffing of advisory services. The local adviser should become more a development officer and might be assisted by non-graduate technicians.
5. Other bodies such as co-operatives should also make a contribution to the expansion of advisory services.

**Structural Reform**

6. In order to encourage the transfer of management control to those farmers who would undertake development:—
  - (a) socio-economic advisers should be employed to promote transfers.
  - (b) There should be further reforms of the system of taxation to make transfers and leasing more attractive.
  - (c) The Land Commission should:—
    - (i) have a registry of priority land applicants.
    - (ii) monitor land sales to ensure capacity of purchasers to farm efficiently.
7. The farm Retirement Scheme should be made more attractive, for example, with payments better than those available from the Old Age Pension.

**Taxation**

8. Determine *income tax liability* of farmers on the basis of actual accounts.
9. Phase extension of income tax to farmers by lowering valuation threshold.
10. Phase increase in multiplier to bring notional assessment more in line with the national average.
11. Give a specific time limit to notional assessment.
12. Introduce a *resource tax* to promote efficient land use.

13. Farmers participating effectively in development plans should be exempt from any resource tax.
14. There should be an eventual termination of the *Agricultural Grant* with interim compensatory measures where necessary on hardship grounds.

#### **Incentives for Effective Marketing**

15. It should be policy to increase the *intensity of processing* in dairying, cattle and pig production. If necessary, the Government should look for changes in the Common Agricultural Policy.
16. Encourage *promotion as well as product research* and development to the full and if necessary, extend existing schemes in this area.

#### **Co-Ordinated Planning**

17. Restructure the *Department of Agriculture* and where necessary strengthen it to give it a greater capacity for policy formulation and planning.
18. Establish an advisory body representative of all the interests involved in agricultural and rural development (see also No. 4 above).
19. The body recommended under (18) should provide a forum for regular liaison between agencies concerned with agricultural development and those responsible for social assistance and welfare schemes in rural areas.

#### **Income Maintenance**

20. In determining the degree of assistance to farmers account should be taken of the capacity of their farms to produce income if properly used.
21. Improve the position of particularly disadvantaged sectors within the non-farm rural population identified in NESC Report No. 41.
22. A uniform method for arriving at notional income for farmers should be used.

#### **Delivery of Social Services in Rural Areas**

23. Co-ordinate the provision of social and infrastructural services.

#### **Report No. 43: PRODUCTIVITY AND MANAGEMENT (February 1979)**

(In this report the Council sought to underline the importance of increased productivity to the goal of increasing living standards and improving the competitiveness of Irish firms on world markets).

1. An increase in productivity must be accompanied by increases in investment which lead to additions to productive capacity.
2. The consultant's report showed that there is considerable scope for improvement of levels of productivity in Ireland.

#### **Report No. 44: COMMENTS ON DEVELOPMENT FOR FULL EMPLOYMENT (December 1978)**

(This report was in response to the request from the Government for comments from all interested parties on the proposals contained in the Green Paper 'Development for Full Employment'. There were a large number of issues raised in the Council's comments. The list of recommendations given below refers to those given special prominence and is not intended to be exhaustive).

#### **The Results Sought**

1. The Green Paper objective of achieving zero unemployment is too ambitious and may not be practicable.
2. Any adjustment of the borrowing constraint should be consistent with the Green Paper objective of virtually eliminating the current budget deficit by 1980.

### **Agriculture**

3. The development options put forward in the Green Paper, which were broadly in line with a number of recommendations in Council Report No. 42, should be implemented without delay.
4. The strategy outlined in the Green Paper had the following shortcomings:—
  - (i) a lack of distinction between agricultural and rural development;
  - (ii) no indication of a new approach to agricultural planning.

### **Industry and Services**

5. Investment incentives should be restructured to encourage the adoption of technology which has a higher labour — capital ratio.
6. Re-equipment grants, as they are administered at present, should be phased out.
7. There should be a reappraisal of the differing taxation of profits from domestic and export sales.
8. Consideration should be given to linking the Employment Incentive Scheme with an encouragement to employers to take on more of the burden of training.

### **Infrastructure**

9. There should be a commitment of a number of years to a certain minimum level of real expenditure on infrastructure.
10. There is a need for an effective and explicit regional policy which would be consistent with the main aims of the Green Paper.
11. The Green Paper objective for increasing telephone connections is too low. The quality of this service must also be improved.
12. Many of the recommendations set out in NESC Report No. 23 'Report on Housing Subsidies' are still timely in the context of house purchase and the rents for local authority housing.

13. There is a need for a guaranteed minimum stable level of activity in the construction industry.

### **Further Action on Employment**

14. Employers and trade unions should work towards the elimination of excessive overtime.
15. The Council would welcome expanded training and work experience schemes in the context of a comprehensive manpower policy rather than a policy aimed solely at reducing unemployment.
16. Priority should be given to the community services scheme in the job creation programme.

### **Financial Implications**

17. The moderation of current expenditure on publicly financed schemes should not be confined to the social area.
18. There should be a real increase in per capita income maintenance payments. Any increased expenditure should be financed from taxation.
19. Expenditure on education in real terms should increase. Education for those in "compulsory" age groups should be given greater priority.

### **Report No. 45:**

### **URBANISATION AND REGIONAL DEVELOPMENT IN IRELAND (June 1979)**

1. The growing concentration of population and employment, particularly service-type employment, in the East region is a fundamental urban and regional problem. There is a need for an explicit Government policy. It should be an objective of this policy to contain the increase in the proportion of the population in the East region.

2. A policy of accelerating the development of one or two counter-magnet cities to offset the attraction of the East region, together with the continuing development of a number of smaller regional growth centres, would be favoured.
3. Any major attempt to shift manufacturing employment away from the East region would be undesirable for the foreseeable future. The emphasis on developing counter-magnet cities should be placed on encouraging the relocation of existing and new service-industries' employment, particularly within the public sector, away from the East region.

**Report No. 46:  
IRISH FORESTRY POLICY  
(September 1979)**

(In this report of the Council it is stated that Irish forestry is at a threshold and that major policy initiatives are required. The Council believes that the case for increased investment in forestry development is compelling).

**Processing**

1. The alternative systems of timber sale should be examined to see how the advantages of the sealed tender system can be combined with a method which might give a better guarantee of supply to individual processors.

**Growing of Timber**

2. The State has over the years assumed a predominant role in the development of Irish forests. There should be a greater commitment to encouraging the development of private forestries.
3. The following approach could be used for a land acquisition programme:—
  - (a) Outline how much land might realistically become part of the forest estate;

- (b) Establish priorities for purchase;
  - (c) Prepare a programme for acquisition.
4. The offer price for land for afforestation should be based on the estimated present net worth of the land under timber after deduction of costs involved in converting it to forest.
  5. There should be equity in the tax treatment of agriculture and forestry. This means, for example, that:—
    - (a) Forestry should be subject to income tax in the same way as agriculture, and
    - (b) The application of capital acquisitions tax to forestry should take account of the long crop rotation for timber.
  6. The proposal by the consultant regarding the afforestation of areas of drumlin soil should be considered. This proposal is that landholders would lease their land to investors who would then finance the afforestation.
  7. Urgent consideration needs to be given to what institutional arrangements can best achieve the objectives of creating a viable and commercially oriented forest industry. The consultant's proposals are worthy of examination.
  8. Prices charged for the use of amenity services provided for the Forestry and Wildlife Service should be more closely related to the actual cost of their provision.

**Report No. 47:  
ALTERNATIVE STRATEGIES FOR FAMILY INCOME SUPPORT  
(April 1980)**

**A. Short-term Strategy**

The Council recommended the following:

- (1) An age-related supplement in respect of children over 12 years in families dependent on social welfare payments. The supplement should be an additional £1 per week at the very least.



- (2) The payment of a cash grant, equivalent to the monthly children's allowance, to help defray the cost of footwear or clothing needs of families dependent on social welfare payments. This cash grant would replace the existing cheap footwear scheme operated by health boards.
- (3) (a) Heads of one-parent families should be given an income tax allowance equivalent to that of a married couple while there are dependent children.  
(b) The present amounts of income disregard for means-tested payments for single parents should be doubled.
- (4) A deserted wife who has children should be entitled to the deserted wife's benefit or allowance. The State should collect any maintenance due from the deserting husband.
- (5) An additional £3 per month per child should be given in children's allowance to families with six or more children.

#### **B. Long-term Strategy**

- (1) The integration of children's allowances and child tax allowances into a family benefit scheme which would apply to all families.

**Report No. 48:  
TRANSPORT POLICY  
(March 1980)**

(In this report many of the main points in the Council's comments were presented as questions).

#### **Organisation**

1. There is a need for effective co-ordination on transport matters between the Departments of the Environment, Tourism and Transport, the Local Authorities, CIE and the Gardai.

#### **Railways**

2. The key question, having regard to the size of the deficit on rail operations, is whether the (net) public benefits which are provided by

the railways are sufficiently significant to justify retaining the railways in whole or in part.

#### **Inter-Urban and Rural Bus Services**

3. The first question is whether, and to what extent, it is justifiable to run at a loss, taking account of the public benefits which arise from these services.

#### **Road Haulage**

4. Here the question arises whether there is justification for the continuation of quantitative restrictions on road haulage.

#### **Conclusion**

5. The Council feels that the transport problem in Ireland is no longer one of information, so much as of decisive action.

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