

Chapter 6 Solutions: Textbook

Stop & Check for Understanding!

1. List five sectors/categories of the economy.

Any five from:

- ▶ Agriculture
- ▶ Industry
- ▶ Construction
- ▶ Distributive trades (distribution, transport, hotels and restaurants)
- ▶ Information and communication
- ▶ Financial and insurance activities
- ▶ Real estate activities
- ▶ Professional, administration and support services
- ▶ Public administration, education and health
- ▶ Arts, entertainment and other services.

2. Demonstrate your understanding of the term 'national policy'.

See sample answer in 'How to break down an exam question' section.

3. Distinguish between policy and legislation.

Policy is all about guidelines, rules and principles established by an organisation, a government agency or an institution in order to influence and determine decisions.

- ▶ They are usually developed to tackle a particular problem, to address specific challenges or to achieve certain goals.
- ▶ They assist with decision-making and play a pivotal role in achieving desired outcomes and setting standards.
- ▶ Policy is flexible – it can change in line with shifts in society and external forces. For example, a company's policy on employee conduct or a shop's returns policy can easily be changed should the need arise.
- ▶ Policies are not legally binding.

Legislation refers to the process of creating, debating and enacting laws which are designed to regulate different areas and aspects of society, social, economic or political.

- ▶ These laws are created through a legislative body such as parliament or congress.
- ▶ Legislation establishes a legal framework for governance. Essentially, this is what sets the rules.
- ▶ It is more rigid than policy; once a law is in place it is difficult to amend it. It also affects a much greater part of the population.
- ▶ Legislation is legally binding.

4. Describe the role of two agencies that help the Irish economy.

Economic and Social Research Institute (ESRI)

The ESRI was founded in 1960 by Dr T.K. Whitaker and a group of senior civil servants who saw a need for independent, in-depth research that would support policy-making in Ireland. This continues to be the aim of the ESRI today. It provides robust, objective evidence that policy-makers can use to produce policy solutions. It publishes research on a wide range of areas, gathering experts from a variety of disciplines who present their findings to Oireachtas Committees. Researchers from the ESRI are also board members and members of advisory committees of national and international organisations such as the Central Statistics Office (CSO) and the International Labour Organisation (ILO). ESRI research findings are published on its website and in books, journals and peer-reviewed reports. The ESRI is a company limited by guarantee. It is funded by the Department of Public Expenditure and Reform (from which it receives a grant), research funding from state agencies and membership fees.

Students can include information on another agency of their choice related to policies they have researched e.g. Environmental Protection Agency (Waste Action Plan)

5. Discuss the role of IBEC in influencing national policy.

IBEC is Ireland's largest lobby and business representative group. It represents the views of Irish businesses and lobbies the government and both national and international policymakers to create policies that maintain a positive climate for business. IBEC members employ over 70% of the private sector workforce in Ireland. IBEC employs approximately 230 people in six offices around Ireland and in its office in Brussels. IBEC also has international connections in the UK and US, enabling it to voice the opinion of Irish firms based both at home and abroad.

IBEC's policy groups and committees negotiate and communicate with relevant stakeholders (government departments, state agencies and key politicians) to ensure that the needs of Irish business are prioritised by policy-makers. It has 39 trade associations across a wide range of sectors. These trade associations provide targeted support and advice for firms in specific industries.

It provides advice, support and training for its members across a range of services including human resources, health and safety, and employment law. It organises conferences and events and a range of webinars that provide insights and analysis from industry experts on issues such as digitalisation and sustainability.

6. Explain how a national policy is formulated.

Stage 1 – Identification of a problem or issue by citizens, industry experts or elected officials. A decision is made to address the issue.

Stage 2 – Discussions are held to identify possible solutions. These may involve public consultations or parliamentary hearings.

Stage 3 – A decision is made regarding a policy solution to the problem or issue. This may involve new/amended rules or procedures or the provision of funding.

Stage 4 – The actions required to make the policy work are implemented. For example, revised procedures, creation of an agency or introduction of new services.

Stage 5 – Monitoring of the policy will be required to ensure it is effective.

7. Explain the term 'lobbying'.

Lobbying is when individuals, groups and organisations put pressure on decision makers to support laws or rules that give an advantage to their industry or organisation. For example, the IFA may pressure TD's and MEP's to support policies that protect the interests of Irish Farmers.

8. Explain the term 'interest groups'.

An interest group is an organisation that represents the views and objectives of a particular group. They seek to influence decisions and policy affecting their members through negotiation, lobbying, boycotting and even legal action.

Interest groups are effective because there is strength in numbers: a group has more power, more skills and expertise at its disposal and, most important, more money; and it has a better chance of being heard.

Examples of interest groups include the Irish Farmers' Association and the Licensed Vintners Association.

9. Outline the role of interest groups in Ireland.

Students to write a short paragraph explaining the role of any two interest groups. Examples may include IFA, Licensed Vintners Association or ICTU amongst others.

Developing your Knowledge

1. Evaluate the role of an interest group of your choice.

ISME (Irish Small and Medium Enterprises Association)

ISME represents the views of small and medium-sized business owners in Ireland. It lobbies on issues that affect its members, e.g. the impact on business if the government raises the minimum wage. It also provides advice to its members, e.g. on employment law.

Evaluation required....ISME are effective as they continuously lobby the government to ensure that the voices of small businesses are heard. For example they make submissions to the government on issues such as national minimum wage and how this will impact their members.

2. Distinguish between the roles of IBEC and the ESRI in policy development in Ireland.

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ESRI

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3. Outline Ireland's National Waste Policy 2020–2025 and the impact it has on three different sectors of the economy in Ireland.

Ireland's National Waste Policy 2020–2025 outlines the government's approach to managing waste and improving sustainability over the next five years. The policy aims to move Ireland towards a more circular economy, where waste is minimized, reused, and recycled rather than disposed of. It also focuses on reducing harmful emissions from waste, promoting innovation in waste management, and ensuring that waste management practices are fair and equitable for all sectors of society. The policy includes targets for recycling, reducing landfill use, and improving waste management practices, such as reducing single-use plastics and encouraging the use of more sustainable materials.

Key Goals of the Policy:

- ▶ Reduce the amount of waste going to landfill.
- ▶ Increase recycling rates and improve overall waste management.
- ▶ Encourage circular economy principles, where waste is treated as a resource.
- ▶ Strengthen Extended Producer Responsibility (EPR) schemes to hold producers accountable for waste.

Impact on Three Sectors of the Irish Economy:

- (a) **Public Sector:** Public bodies, including hospitals and schools, must include circular-economy principles in procurement and building projects. They are also required to offer brown-bin services and comply with incentivised charges, levies on landfill and recycling, and deposit-return schemes. These measures drive behavioural change, strengthen compliance and set an example for other sectors.
- (b) **Agriculture Sector:** The agriculture sector plays a crucial role in waste generation, especially in areas like food waste, plastic sheeting, and packaging. The National Waste Policy calls for the proper management of agricultural waste through better recycling and disposal practices. Farmers may face new regulations and costs to comply with waste management practices, such as recycling agricultural plastics. The policy could lead to opportunities for the sector to innovate with waste-to-resource solutions, like composting organic waste or converting agricultural by-products into renewable energy.
- (c) **Construction and Demolition Sector:** The construction industry is a major contributor to waste in Ireland, particularly in the form of construction and demolition (C&D) debris. The National Waste Policy 2020–2025 addresses this by setting stricter guidelines for the disposal and recycling of C&D waste. The policy encourages the use of more sustainable building materials and the recycling of construction materials like concrete, timber, and metals. While this will increase compliance costs for construction companies, it also presents an opportunity for businesses to develop innovative solutions for recycling C&D waste, which could reduce costs and increase environmental sustainability in the long term. The policy also supports the use of more energy-efficient construction methods, contributing to the broader goal of reducing greenhouse gas emissions.

4. Outline Ireland's White Paper on Enterprise Policy 2022–2030 and the impact it has on three different sectors of the economy in Ireland.

Ireland's Enterprise Policy 2022–2030 focuses on supporting businesses and industries to grow, innovate, and create jobs while ensuring that Ireland remains competitive on a global scale. The policy sets out a framework for building a strong, sustainable economy that is resilient to challenges like climate change, technological change, and global economic shifts. The overall aim is to help Irish businesses thrive, foster innovation, and create a more inclusive and green economy.

Key Goals of the Policy:

- ▶ **Support for Innovation and Research:** The policy emphasizes the importance of innovation, technology, and research in driving growth in Irish businesses.
- ▶ **Sustainability and Green Economy:** It aims to support industries in transitioning to greener practices and meeting Ireland's climate goals.
- ▶ **Job Creation and Skills Development:** The policy seeks to create more high-quality jobs and ensure that workers have the skills needed for the future economy.
- ▶ **Regional Development:** There is a focus on ensuring that economic development is spread across all regions of Ireland, not just in big cities like Dublin.

Impact on Three Sectors of the Irish Economy:

1. **Industry (Manufacturing and Production):** Manufacturing firms are strongly encouraged to adopt low-carbon technologies. The policy aims to cut industrial emissions and promote circular economy practices. The funding for innovation will increase, meaning more government investment in R&D supports, sustainable materials and smarter production systems.

The policy supports diversification and local sourcing to reduce dependence on global supply chains. The impact of this will mean greater sustainability, improved efficiency, and support to stay competitive internationally.

2. **Information and Communication (ICT & Digital Economy):** The government's target is that 90% of SMEs will have basic digital skills by 2030, creating a huge demand for ICT services, from cloud computing to cybersecurity. Digital Innovation Hubs will be created across Ireland to help tech companies test and deploy cutting-edge tools (AI, data analytics, etc.).

There will be increased support for software and systems that help other industries reduce their carbon footprint (e.g. smart energy systems, digital twins). This will result in a boost in digital service providers, job creation in tech, and more ICT-led jobs across the country.

3. **Construction:** Construction firms are being pushed to use modern methods of construction (MMC) such as off-site prefabrication, and low-carbon materials. There is huge support for upskilling initiatives and apprenticeships, which will promote a more skilled workforce for greener and more efficient construction. There will also be a focus on aligning national infrastructure projects, such as Project Ireland 2040, which will create large-scale public and private building opportunities. This will lead to a shift towards cleaner, smarter and more scalable building practices – with state support.

5. Outline Ireland's Social Enterprise Policy 2024–2027 and the impact it has on three different sectors of the economy in Ireland.

Ireland's Social Enterprise Policy 2024–2027 focuses on supporting and developing social enterprises across the country. Social enterprises are businesses that aim to solve social, environmental, or community issues while also being financially sustainable. The policy aims to make social enterprises more visible, accessible, and supported, helping them grow and have a bigger impact. It also encourages people to get involved in social enterprises, either by starting one or by supporting them in their communities.

Key Goals of the Policy:

- **Support and Growth of Social Enterprises:** The policy aims to provide funding, resources, and advice to help social enterprises expand and thrive.
- **Increased Visibility:** It seeks to raise awareness about social enterprises and their impact, so more people know how they can support or get involved.
- **Policy and Regulatory Improvements:** The policy looks at making it easier for social enterprises to operate, with better regulations and support structures in place.
- **Social Impact:** It encourages social enterprises to focus on key issues like employment for disadvantaged groups, environmental sustainability, and community development.

Impact on Three Sectors of the Irish Economy:

1. **Agriculture:** The policy encourages social enterprises focused on sustainable practices such as community-led forestry or agricultural co-operatives that promote local food systems and resource management. Capital grants from the Growing Social Enterprise Fund (approx. €2 million) include grants (of €1,500 to €100,000) to help rural-based social enterprises invest in eco-friendly infrastructure and operations. This means that local agri-social enterprises can scale community-oriented, sustainable farming and forestry initiatives, supporting rural economies and meeting environmental goals.
2. **Public Administration, Education and Health:** The policy promotes social procurement in public services – schools, health clinics, local counselling, etc. – to be sourced from social enterprises. It boosts training for educators and public officials, integrating social enterprise into education curriculums and community development initiatives. In the health and education sectors, there's a push for social enterprises to implement impact metrics, ensuring public funds lead to measurable outcomes. The impact of this is that public institutions will benefit from innovative community-based services, while social enterprises gain stable contracts and become integral to public sector delivery.
3. **Arts, Entertainment and Other Services:** The New Solutions scheme supports arts-based social innovation combining creativity and community development through pilot projects and mentorship. This policy is also a strong advocate for arts-led social inclusion, encouraging creativity in disadvantaged areas, and developing formal links between the arts sector and social enterprise supports. It encourages arts social enterprises to connect with one another and to grow through national conferences and dedicated supports. Encouraging all of the above will lead to artists and cultural groups embedding themselves in social enterprise structures, which will allow them to gain access to funding, training, and networks, ultimately enhancing their social value and sustainability.

Chapter 6 Solutions: Student Activity Book

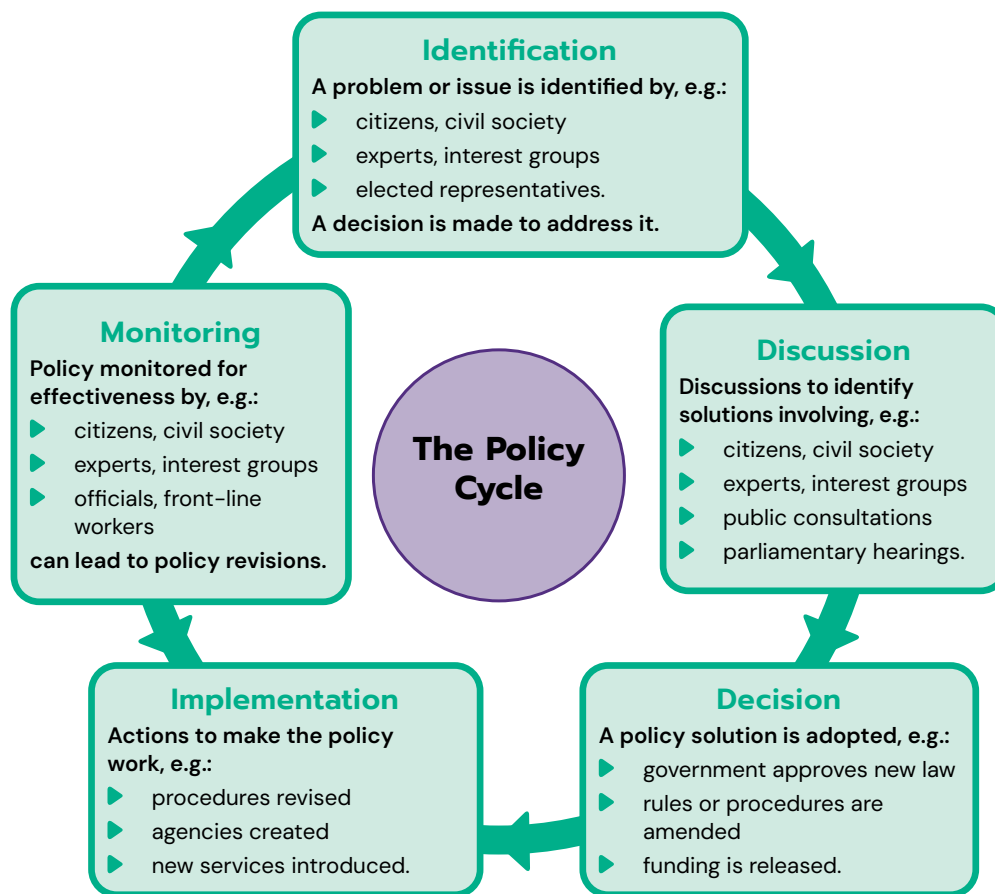
Multiple Choice

1. a. iii), b. i), c. ii), d. iii), e. iii), f. iii).

Short Questions

2. a. Two examples of policy areas that remain consistent regardless of the political party in power are policies aimed at reducing road traffic accidents and policies that promote economic growth.
- b. IBEC supports its members by providing advice, support, and training in areas such as human resources, health and safety, and employment law, and by organising conferences, events and webinars that provide insights and analysis from industry experts.
- c. Trade associations within IBEC provide targeted support and advice for firms in specific industries such as childcare, engineering and forestry.
- d. Two examples of interest groups mentioned in the textbook are the IFA (Irish Farmers' Association) and the Licensed Vintners Association.
- e. Lobbying is when individuals, groups, and organisations put pressure on decision-makers to support laws or rules that give an advantage to their industry or organisation.
- f. Interest groups can lobby members of government by sending a petition to national government and parliament about an issue that they feel strongly about.

3.



4. Policy 1: Waste Action Plan for a Circular Economy – Ireland's National Waste Policy 2020–2025

Purpose: Ireland's National Waste Policy 2020–2025 provides a roadmap for Ireland to transition to a circular economy in the decade ahead. This policy was introduced under the guidance of the Department of the **Environment, Climate** and Communications.

Aims:

- ▶ To halve, by **2030**, the amount of food waste currently being produced.
- ▶ To maintain the current deposit **return scheme** for plastic bottles and cans that was launched in February 2024.
- ▶ To have standardised **bin colours** across the state: green for recycling, brown for organic waste and black for residual waste.
- ▶ To maintain the ban on single-use **plastics** which was introduced in July 2021.
- ▶ To introduce a law that will ensure all packaging will be reusable or recyclable by **2030**.

- ▶ To introduce a recovery levy to encourage the continuous pattern of **recycling**.
- ▶ To work alongside Irish designers and retailers to promote **eco-design** for clothing and textiles.

The National Waste Policy identifies six areas that will remain a key focus:

1. Plastics
2. **Food waste**
3. Agriculture
4. **Construction** and demolition
5. Local waste prevention
6. Resources and **raw materials**

Policy 2: White Paper on Enterprise Policy 2022–2030

Purpose:

Ireland's White Paper on Enterprise Policy is about ensuring that the future success of the enterprise economy in Ireland is based on **sustainability**, innovation and increased **productivity**. The government's vision is for Irish enterprises to have a competitive advantage and deliver rewarding jobs. As the world around us continues to change and we move closer to 2030 Ireland is facing real challenges in **digitalisation**, decarbonisation and global economic changes and we are at a turning point that could shape our future economy and society. This new policy will ultimately protect the core elements that make our economy so attractive for enterprise to thrive, ensuring that we maintain a **competitive** environment that will promote small and medium enterprises, their growth and their success.

Aims:

- ▶ To protect our **SMEs** so that they have the **skills** and capabilities to grow in the locally traded and international economies.
- ▶ To maintain our attractiveness for **foreign direct investment** (FDI).
- ▶ To maintain full employment to **2030**.
- ▶ To ensure an attractive quality of life in all parts of Ireland with high-productivity, **well-paid** jobs.
- ▶ To strengthen the Irish-owned **export** sector.
- ▶ To equip locally trading businesses with the know-how to fulfil their **potential**.

In order to achieve these aims the government has outlined seven objectives:

1. Integrating decarbonisation and net zero commitments.
2. Placing digital **transformation** at the heart of enterprise policy.
3. Advancing Ireland's **FDI** and trade value proposition.
4. Strengthening the Irish-owned export **sector**.
5. Enabling local **trading** sectors to thrive.
6. Stepping up enterprise **innovation**.
7. Building on **strengths** and opportunities.

Policy 3: Trading for Impact – National Social Enterprise Policy 2024–2027

Purpose:

Trading for Impact aims to nurture and support social **enterprises** in Ireland, enhancing the social, environmental and economic **wellbeing** of different communities across the country. Social enterprises are businesses with primarily social, **community** or **environmental** objectives and whose profits are **reinvested** to further those objectives rather than distributed to **shareholders**. This new policy recognises the value and potential of these organisations and introduces measures to strengthen and nurture them.

Aims:

- ▶ To encourage further co-ordination of **social** enterprise policy across departments.
- ▶ To take into consideration the important role social enterprises play when **shaping** and **executing** policies.
- ▶ To create a vibrant and **diverse** social enterprise sector that will contribute to a fair, **inclusive** and **sustainable** society.
- ▶ To enhance the growth and scalability of social enterprises and improve their **visibility** and recognition in society.

In order to achieve these aims the government has outlined the following key objectives:

1. Building **awareness** of social enterprise
2. Growing and **sustaining** social enterprise
3. Supporting the **green** transition
4. National and **international** engagement
5. **Impact** measurement.

Project Ireland 2040	
Purpose	Project Ireland 2040 is the Irish government's €116 billion long-term strategy designed to enhance infrastructure and improve the overall quality of life for its citizens. With Ireland's population expected to increase by one million and the workforce to grow by 650,000 by 2040, this plan aims to ensure the country has the necessary social, economic and cultural infrastructure to accommodate this growth. The initiative is built around three core themes: wellbeing, equality and opportunity, ensuring sustainable and balanced development across all regions of Ireland.
Aims	<ul style="list-style-type: none"> ▶ To create a sustainable and balanced Ireland where development is not concentrated solely in Dublin. ▶ To ensure that 75% of future population growth happens outside Dublin, with cities like Galway, Limerick, Waterford, and Cork targeted for 50% growth. ▶ Larger towns such as Athlone, Sligo, and Letterkenny have also been identified as key areas for future expansion. ▶ To prioritise social outcomes over purely economic targets, ensuring a high quality of life for all citizens by improving housing, transport, healthcare, education and connectivity across Ireland. ▶ To prepare for an anticipated population increase of approximately one million people by 2040. This growth necessitates the creation of new jobs, homes, cultural and social amenities, enhanced regional connectivity and improved environmental sustainability.
Objectives	<p>Project Ireland 2040 is structured around ten key national objectives, each designed to support sustainable growth and development:</p> <ol style="list-style-type: none"> 1. Compact growth: Prevent urban sprawl as far as possible by ensuring 40% of new developments are within existing towns and cities. 2. Enhanced regional accessibility: Improve transport links to ensure connectivity across the entire country of Ireland. 3. Strengthened rural economies and communities: Invest in rural areas to create sustainable employment and growth opportunities and tourism. 4. Sustainable mobility: Develop public transport systems, including Metro North, Dart expansion, and new cycling networks across the country. 5. A strong economy supported by enterprise, innovation and skills: Invest in education, research and innovation to maintain Ireland's global competitiveness and to continue to attract FDI. 6. High-quality international connectivity: Expand airports and ports to ensure strong global trade links. 7. Enhanced amenity and heritage: Protect and develop cultural, recreational and historical sites. 8. Transition to a low-carbon and climate-resilient society: Reduce carbon emissions and invest in renewable energy. 9. Sustainable management of water and environmental resources: Improve national water management and conservation strategies. 10. Access to high-quality childcare, education, and health services: Expand schools, hospitals and digital infrastructure to support a growing population and to ensure there are adequate facilities in place for a growing population.

Project Ireland 2040

Any other information

- Project Ireland 2040 incorporates multiple investments across a range of sectors:
- ▶ Housing: 500,000 new homes by 2040, including 112,000 social houses by 2027.
 - ▶ Transport: Metro North, Dart expansion, new Luas lines, improved road networks, and investment in regional airports.
 - ▶ Health: 2,500 new acute hospital beds, a new National Forensic Mental Health Service Hospital, and new elective-only hospitals in Cork, Dublin and Galway.
 - ▶ Education: 50 large-scale school projects per year until 2021, expansion of institutes of technology, and a €8.4 billion investment in school buildings.
 - ▶ International business and innovation: €500 million Disruptive Technologies Innovation Fund and €2.2 billion investment in higher education infrastructure.
 - ▶ Brexit response: Investment in border regions such as Drogheda, Dundalk, Sligo and Letterkenny to offset potential economic challenges.

Unlike previous plans, Project Ireland 2040 takes a long-term, nationwide approach, ensuring that growth and investment benefit all parts of Ireland rather than being concentrated in a few key areas. It seeks to create a future-proofed Ireland that is competitive, inclusive, and sustainable.

Source: Newstalk, Project Ireland 2040: Everything you need to know; www.gov.ie, Project Ireland 2040