The Institutionalisation of Anti-Poverty and Social Exclusion Policy in Irish Social Partnership

Dr Eileen Connolly[1]

Centre for International Studies
School of Law and Government
Dublin City University

eileen.connolly@dcu.ie

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For nearly 20 years the Irish State has engaged in a process of social concertation that has produced tri-annual agreements between the social partners and the government. Beginning in 1987 as a response to economic crisis Irish 'social partnership' has received international attention because it has been closely associated with the spectacular success of the Irish economy. This economic success, had by the end of the 1990s, produced virtually full employment and budget surpluses giving government the potential for policy choices that had not previously existed. One of the major points of contention in this success story is the persistence of poverty and growing inequality (Layte et al 2000, Kirby 2004). As a result of this, social partnership has been criticised for its failure to provide a policy forum able to address the problem of poverty.

From its inception Social Partnership was a contested process, and both its contribution to Ireland's economic success and its effectiveness as a policy forum have been questioned, especially its capacity to contribute to the development of policy to address poverty and social exclusion. On the other hand, it has also retained strong support from members of the leadership of the trade unions and employers organisations and the political parties. The government has continued to demonstrate a strong commitment to maintaining social partnership, linking it closely to continued economic success, in the words of the Taoiseach the 'decision to initiate social partnership and its supporting process of engagement has had profound effects on the economic and social destiny of this country' and that 'is why I believe passionately that we should continue with the partnership process over the challenging period ahead'[2]. From the beginning of the process, a national pay deal and macroeconomic policy were the most important aspects of social partnership, but these concerns were integrated with social policy. As a result, during the early 1990s civil society organisations working in social policy areas made submissions to the partnership process and from 1997 the negotiations included a 'social' pillar composed of voluntary and community groups selected by government. As a result, in the late 1990s social partnership provided a focus for groups campaigning on issues relating to poverty and inequality. The lack of progress on these issues led many to conclude that in spite of the changing social and economic realities, government through social partnership continued to apply the policy solutions derived from the very different conditions of the late 1980s (Reynolds, 2005: 3-4). This

[2] An Taoiseach Bertie Ahern speaking at the opening of National Economic and Social Development Office (NESDO), 24 February, 2003.

apparent adaptive failure on the part of a process that came to define itself as flexible and problem solving (NESC: 2003) seems anomalous and requires some explanation. An issue related to this problem is the extent to which social partnership represented 'real' negotiations. The argument has been made that the process, apart from the industrial relations elements, has increasingly become merely a restatement or repackaging of existing government policy, with the programmes for government and the government's budgetary policy determining the content of the social partnership agreements.

Given these debates and the central place that the social partnership process had in Irish public policy making, this paper analyses the way in which policy dealing with poverty and social exclusion has been institutionalised in the social partnership process. To do this, it uses the concept of ideational change, which can explain the process by which policy institutions (such as 'social partnership') change over time and also how they are constructed by policy ideas. This theoretical framework can also explain why policy institutions persist with a particular policy solution even when there have been significant changes in the environment in which that policy institution operates. In the context of Irish Social Partnership it argues that the first social partnership agreement of 1987 was part of the institutionalisation of a new policy regime that marked a distinct break with the past, and most importantly that the parameters of the policies established in that first agreement and the ideas that underpinned them continue to shape Irish public policy into the 21st century. Following the negotiation of the 2003 agreement there was a perception by members of the voluntary and community pillar that Social Partnership had reached a watershed in both its policy content and method of negotiation. This perception has been compounded by both the shift in language and timescale of the agreement reached in 2006 and raises the question do these changes represent a significant departure from the existing paradigm or a policy adjustment within a consistent policy framework provided by nearly two decades of partnership agreements.

Ideas and the Institutionalisation of Policy Regimes

Observing policy change over time, and across states, it is noticeable that in addition to 'normal' or incremental reform, policy institutions also go through periods of relatively brief, infrequent period of more fundamental change that reconstructs the policy regime of states. Such episodes of reconstruction are not usually confined to

individual states but are part of a wider experience of policy change such as the shift to Keynesian economic policy amongst democratic states after the Second World War and the equally dramatic shift to neo-liberal economic policies globally during the 1980s. Wholesale changes in policy like this occur 'relatively rarely' because policy makers normally work within an implicit 'framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing' (Hall, 1993: 279). So although ideational theory provides an insight into how policy institutions change, it can also explain continuity in policy making, that is, the way in which a firmly institutionalised set of policies provides a framework of ideas that continues to exert a strong influence on policy over time. This happens because the framework of ideas that Hall calls a 'policy paradigm', is embedded in the 'very terminology' in which policy is discussed and because it is taken for granted to such a great extent it is not amenable to scrutiny in its totality (1993: 279) and therefore is not easily substantially changed. In this way policy paradigms also specify the 'hierarchy of goals' that lie behind policy (Hall, 1993: 279); for example, in the case of Irish social partnership the goal of maintaining international competitiveness could be defined as a primary goal of policy, with social policy goals coming much lower in the hierarchal ordering of policy.

In his discussion of policy paradigms Hall (1993) draws on Thomas Kuhn's (1970) work on scientific paradigms and, following Kuhn, describes three different types of policy change. First and second order policy change, are defined as change to the policy settings and change to the policy instruments respectively. Changes of this type are 'normal' or incremental policymaking - that is a policy adjustment that does not challenge 'the overall terms of a given policy paradigm'. Third order change on the other hand is 'marked by the radical changes in the overarching terms of policy discourse associated with a paradigm shift' and 'associated with periodic discontinuities in policy' (Hall, 1993; 279). Hall suggests that within an existing policy regime first and second order policy changes arise from a process of social learning that is incremental in its nature, however the paradigm shift that marks a more fundamental policy regime change is 'marked by a kind of punctuated equilibrium that often applies more generally to political change' (1993: 277). He argues that economic policy in the UK displayed this type of trajectory as the 'presence of a policy paradigm generated long periods of continuity punctuated occasionally by the disjunctive experience of paradigm shift' (Hall, 1993: 291). Hall using the example of the adoption of monetarist models of macro economic policy regulation associated

with the British Conservative Government under Margaret Thatcher argued that this involved a simultaneous change in the three key components of policy; the setting of the policy instruments; the policy instruments themselves; and the hierarchy of the goals behind policy (1993: 279).

Blyth (1997) describes this process as a fundamental shift in both the definition of the economic problem faced by the state and also a fundamental shift in the policies designed to deal with these new circumstances. Ideological contest between political parties by itself cannot explain what Blyth (1997) has referred to as a redefinition of the 'political middle'. By this he means what the majority considered (as expressed through voter choices in elections and the mainstream media) as the political middle ground, or as 'common sense'. It is not merely that a group of a particular political ideology gain influence but that a large number of people change their views on the definition of the economic problems they face and the potential solutions to those problems.

Both Hall and Blyth have described how a set of 'new'[3] ideas on policy are used to challenge an existing policy regime, and how after a period of dissent and political regrouping a new policy paradigm emerges that either creates new policy institutions or redefines existing ones. In this way the re-institutionalising of a policy regime is a significant event and it would be expected that such a process would meet with institutional resistance as well as resistance from existing vested interests. A change of this level requires a change in the ideas of individuals on a societal level or amongst significant groups; this implies that new ideas to become institutionalised need 'co-ordinated and/or collective action to facilitate change' (Legro, 2000: 424). On this basis Legro (2000: 424) suggests a model of ideational change involving two idealised stages. The first stage involves the 'collapse' of the existing 'consensus' where significant actors are able to agree that 'the old orthodoxy is inadequate and should be replaced'. The second phase is the 'consolidation of a new ideational structure', which requires the existence of 'a viable oppositional idea, the prescriptions of which correlate with socially desired results' (Legro, 2000: 426). The process by which a coherent 'oppositional idea' emerges is likely to be a complex political battle involving an array of alternative ideas, interest groupings and political

[3] In this case 'new' ideas means ideas that are being applied in a novel way rather than ideas that have not previously been known. For example, the ideas introduced by the Conservative Government under Thatcher were familiar to many as ideas derived from economic theory, their newness is the way in which they were used to underpin policy change replacing a very different form of economic analysis.

structures. In the case of the adoption of neo liberal economic policy in the UK the policy changed 'in response to an evolving societal debate that soon became bound up with electoral competition' (Hall, 1993: 288). In the 1979 British general election the two major political parties presented the electorate with two alternative models of economic policy at a time when there was a growing sense of economic crisis and a belief, expressed in public debate and in the media, that the previous sets of economic policies were not capable of addressing the crisis.

In a similar way Blyth (2002) argues that institutional change is brought about through the response of political actors to times of uncertainty and crisis. The use of 'ideas' by political actors in such situations is crucial to the way in which the crisis is resolved, institutions are reformed, or established, and a new policy paradigm is created. Blyth (2002: 254) identifies the key features of a crisis as uncertainly and doubt about the definition of what the crisis actually is, i.e. what is the cause rather than the symptoms of the problem and also uncertainty about what would constitute a successful policy response. When a crisis does not have a clear and widely accepted solution, political actors are seeking a policy response and this creates the conditions in which political actors can adopt 'new ideas' and that provide both a definition of the perceived problems and a potential solution to it. Such a period of uncertainty is also, therefore, likely to involve a high level of political contestation as different political groupings propose different policy solutions to the crisis. The adoption of a particular policy solution by a group of political actors facilitates collective action around that solution and the building of coalitions to advance and institutionalise the proposed policy solution. Following the institutionalisation of the set of new policy ideas, those ideas then provide a source of stability in policy making (Blyth, 2002). They do this in two ways. Firstly they provide a hegemonic set of ideas on which to base policy that by definition can command widespread support. This tends to be reinforced by international example, because such conditions of crisis and institutional restructuring are most frequently an international experience, with states undergoing similar processes of contestation and institution building at the same time. Secondly the new set of policy ideas make stability possible as they allow policy makes to achieve a match between the definition of the problem and expected policy outcomes in a way that addresses the new conditions (Blyth, 2002). Once a policy paradigm has been 'institutionally embedded', the ideas it contains act as a 'cognitive lock' ensuring that 'policy making becomes possible only in terms of these ideas' (2001: 4).

Perspectives on Irish Social Partnership

There is a consensus in the literature on social partnership that the first agreement in 1987 did institute the beginning of a new departure in the institutional form of policy making and that policy was also based on a distinctive set of ideas. This consensus exists even where authors disagree on other issues, such as, how embedded the process is and the degree to which government decisions are bound by the outcomes of social partnership negotiations. In examining the extent to which the policy paradigm established within social partnership in the late 1980s still shapes government policy in the 21st century, the nature of the changes in governance (of which social partnership has been a key part) in that 20-year period has to be recognised. The development of social partnership coincided with the international experience of the communications revolution and changed relationships between state and civil society. Political representation in its traditional form has been modified by the growth in both campaigning and service delivery civil society groups that have a greatly enhanced capacity to communicate both with their own members and with government. Such groups, as well as individual citizens no longer have the same reliance on the mediation of TDs. Social Partnership in many ways embodies this new state civil society relationship, which seems able to marry a 'small' but effective state with innovative forms of policy making. As a model, social partnership has been used in many other areas of governance and also in structuring internal (or managerial) organisational relationships. As the communications revolution changed the way in which government and civil society interacted it also increased the capacity of government for joined up policy making and policy review. So the development of social partnership coincided with the development of integrated national policy planning and programmes for government, the implementation of which was more rigorously monitored that before. Social Partnership became less of a stand-alone policy forum and part of a web of governance that involved multiple sets of engagements between government departments and civil society actors, and also the production of detailed and interlocking policy. In this process it could be argued that the significance of social partnership was diminished over the years by the thickening institutional structure that surrounded it. In a way the success of the diffusion of the social partnership model diminished the significance of the nationally negotiated agreements as a forum for policy making.

Social partnership has been perceived as part of the successful Irish development model (e.g. Hardiman, 2002), although this view has been contested and dissatisfaction expressed with the form of development embodied in social partnership (e.g. Kirby 2004, 2002). From the end of the 1990s there has been a widespread recognition that social partnership was having difficultly adapting to new conditions – a view that has become stronger in the early years of the 21st century. Included in this adaptive failure has been the incapacity of social partnership to contribute to the development of social policy and to significantly increase social inclusion. As far as anti-poverty policy is concerned, this has been described as the application of outmoded solutions to current problems (CORI, 2002). Social partnership appeared to have developed and institutionalised a set of policies as a response to the crisis of the 1980s but has not been able to move outside that policy framework and develop a policy discourse that explored the issues facing a wealthier but in some respects more unequal Ireland (Nolan et al, 2000: 352-3).

Among the most positive claims that have been made for social partnership is that it has been a successful 'small state' strategy in response to increased 'globalisation'[4] that has facilitated the Irish state in improving the living standards of the majority of its population (e.g. O'Donnell 1995; O'Donnell and O'Reardon 2000). This is significant, as a strong theme of the literature on 'globalisation' highlights its negative aspects as including an increase in inequality and a tendency to force states down the road of a reduced welfare effort as they try to maintain international competitiveness (Yeates 2001). Nolan et. al. (2000: 2) argue that although policy-making autonomy, as in the case of other small nations active in the international economy, is heavily circumscribed, the Irish experience is not a simple story of 'globalisation, forced withdrawal of the state and the promotion of neo-liberalism'. While liberalisation of markets contributed to Ireland's success, 'the state has been deeply implicated in the entire process, managing both economic development and the welfare state'. Kirby (2002) on the other hand concludes that the Irish state has had a subordinate relationship to global market forces, that this has had an 'inegalitarian social impact' and that the basis for legitimacy of this neo-liberal transformation has been 'fashioned through the agency of social partnership'. Kirby suggests that Ireland's social partnership arrangements have allowed the state to combine international competitiveness with 'the retention of a minimal welfare net to

[4] Globalisation for the purposes of this discussion is defined as the impact of the adoption of neo-classical macro economic policies and trade liberalisation by the major economic powers and the International financial institutions, the impact of which has been enhanced by the communications revolution.

sustain sufficient consensus' thereby avoiding damaging social dissent and industrial unrest. In Kirby's view, not only has the state co-opted those sectors likely to dissent from 'its project of market-led reform', but furthermore, social partnership can be seen as a means of 'permeating the state and civil society with the logic of the market' (2002 163). In this regard Murphy (2002: 81) asks if the participation of the community pillar is being used as 'a smoke screen' within a process that is perpetuating inequalities?

Many commentators agree that the period of social partnership has seen a 'weakening of welfare effort' on the part of the Irish state in terms of the percentage of national income going on social spending, so that while real increases in the levels of social welfare payments were achieved from 1994 overall welfare levels have lagged behind (Nolan et al, 2000: 342-5; Callan et.al., 2002). Government policy has also increased inequality - the impact of tax cutting between 1987 and 2001, which was central to social partnership, has been regressive, favouring those on higher incomes (Nolan et al, 2000: 342-5). As Hardiman suggests (1998: 122), since l987 although governments introduced a range of policies designed to tackle social inequalities, the effects of these policies were insufficient to make a significant impact given the depth of the existing inequalities and the fact that the hardships of fiscal adjustments in the 1980s had been far from equally shared and as a result a 'large and indeed growing section of the population was left behind in relative terms' (Hardiman, 1998: 138). Since 2002 the redistributional impact of government budgets has been more progressive (Callan et. a., 2006), however given the existing levels of income inequality and continuing wage dispersal the impact of the budgets on poverty has been limited.

One of the central tensions that emerged in social partnership in the late 1990s was how to deal with the fruits of economic growth. Partnership in times of plenty was always presumed to be potentially more difficult than partnership in times of crisis. Irish society and the institutions of social partnership are confronted with very fundamental issues about the distribution of the fruits of growth (Nolan et al, 2000: 352-3). The decline in the welfare effort relative to national income raised 'fundamental questions about the quality of social citizenship rights in Ireland into the future' (Nolan et al, 2000: 352). This situation was not resolved by the presence of the community and voluntary pillar in the social partnership negotiations. The Community Platform argued that their concerns had been treated as a 'residual category' in the partnership talks (CWC, 1997; ADM 2000). They felt they had little

'clout' in the negotiations. Pay and tax issues were sorted out first, leaving issues of social inclusion to be dealt with afterwards.

This highlights another issue for social partnership – the extent to which outcomes are a negotiated agreement rather than a reflection of government policy and the extent to which the community and voluntary sector influence the policy outcomes embedded in social partnership. Hardiman (2000: 303) says that, while the participation of the community and voluntary sector has been linked with making progress on issues of poverty and inequality, 'there is little indication that the social partnership process is the principal forum within which social policy initiatives are actually developed'. She suggests that insofar as the partnership agreements include concessions or promises in specific policy areas, these have already been through the conventional governmental policy-planning process. She quotes some examples to supports this and suggests that generally what is involved are 'uncosted declarations of principle' and that administration and implementation are still decided on a ministerial and departmental basis. So while 'the involvement of the community sector would purport to bring issues of poverty and social inclusion to the heart of the political process, the additional spending committed through this process is marginal, compared with departments' budgets on social policy'. She maintains that the agreements have not fundamentally altered the kind of spending priorities that government adopts (2000: 303).

Hardiman (2000: 304) contends that 'the serious process of policy development on issues as central to social partnership as tax policy and social spending are largely decided outside the parameters of social partnership'. She points to the budgetary decisions of the second Fianna Fáil-Progressive Democrat coalition, from 1997 onwards, to illustrate the limits of consultation. She suggests that three budgets in a row showed erratic priorities, alternately favouring higher and lower paid. She cites the furore caused by Budget 2000, the priorities of which were 'quite at odds with those worked out through the consultative partnership process in NESC and endorsed by various independent policy commentators such as the ESRI'. While government did modify some of its tax plans, she suggests 'that the whole episode left many disillusioned with the seriousness of government's commitment to social partnership'. She points, also, to other far reaching decisions such as the tax amnesty of 1993 or the individualisation of taxation, made without any prior consultation. What is striking, she says, is 'the ease with which governments can take decisions on these matters outside the parameters agreed by the process of

consensus-oriented consultation – evidently responding more to specific electoral priorities than to the consensus-oriented partnership process' (2000: 305-6).

There appears to be some degree of consensus on aspects of Irish social partnership. Firstly, that it formed part of the state's policy response to globalisation; for most commentators it was a key component of that response. Secondly, that it has from the beginning been a government led process, with the programme for government taking precedence and with successive governments pursuing a budgetary strategy independent of 'social partnership'. Thirdly, that during the period of social partnership, notwithstanding the inclusion of the community and voluntary pillar, the state's welfare effort has declined. This decline is evident in growing inequality of income and also inequality of access to essential services such as health and housing. Finally, from the late 1990s it was recognised that 'social partnership' as a policy response to crisis would have difficulty responding to conditions of comparative wealth and economic success. Always a contested process, there was a growing discourse from this period that described social partnership as no longer relevant and suffering from institutional fatigue.

The policy paradigm contained in the 1987 Agreement

Authors from a wide range of perspectives agree that the policy changes of 1987 mark a turning point in both the goals of Irish public policy and the policy instruments designed to meet those goals. While an analysis of the reactions of the political parties to the crisis is debated in the academic literature, there is a consensus that Ireland faced a crisis in the 1980s against which the range of policy solutions previously applied by government appeared ineffective[5]. This view was shared by all the political parties and was a prominent feature of public discourse. This was similar to the situation that existed prior to the election of the Conservative government in the UK (as described by Hall). In Ireland, the economic crisis, and the apparent failure of Keynesian economic policy solutions, was a major topic in the media and in public discourse. The election of 1987 was a pivotal event, which with hindsight, led to a paradigm shift in Irish public policy, it also proved to be one of the most contentious in the history of the state and the one in which voting along class lines was the most polarised in modern Irish politics (Laver et al, 1987: 127; Sinnott,

[5] See Connolly 2006 for an account of the process of regime change in the 1980s. http://www.dcu.ie/~cis/publications.htm

1995). It was an election in which all the parties put forward their policy solutions to Ireland's economic crisis. The policy positions that emerged in the 1987 election for Fianna Fáil and Fine Gael were the product of a period of development and reflection and were not a short-term response to the conditions of the election. In this respect, for both the main political parties, they represented their reappraisal of party policy in the changed conditions of the 1980s. Although in some ways both parties drew on their political cultural roots, the policies they offered were novel in many respects and marked a decisive break with the policy parameters of the 1970s. Labour and the small left parties continued to articulate policies largely within the social democratic framework of the 1970s.

The NESC strategy document, *A Strategy for Development 1986 – 1990* (NESC, 1986), published before the election, formed one of the contexts for the negotiation of the first social partnership agreement and should be seen as a transitional document wider in scope than either the agreement that was based on it or the ideas that informed the government's budgetary policy. Although the NESC document was the starting point of the partnership negotiations; the first budget of the new government and contents of the 1987 Social Partnership Agreement 'Programme for National Recovery' defined the new policy regime. Following the election of Fianna Fail NESC issued the pamphlet '*A strategy for development 1986-1990: key points*', directly addressing the range of political and interest group actors who would have to negotiate any emerging form of social concertation. This document consciously sets out to argue for 'regime change' in Irish public policy – it sets out the depth of the crisis, redefines the problem and suggests a policy solution. In stark terms it says that the 'seriousness of the economic and social problems facing the country cannot be overemphasised' and that 'persisting with present policies is not a viable option' (NESC, 1987:4).

Table 1: Key elements of the NESC (1986) strategy

Macro Economic Policy: 'An integrated macro-economic policy the purpose of which is to correct the chronic imbalance in the public finances while establishing a better environment for the internationally traded sector of the economy'

Tax Reform: 'Fundamental reform of the tax system' to 'enhance efficiency and equity'

Social Policy: 'The progressive removal of major inequities in society'

Development Policy: 'A set of improved long-term development policies in which the state intervention would be directed with greater efficiency and effectiveness towards resolving structural problems in industry and agriculture'

The government budget of 1987 that preceded the negotiation of the *Programme for National Recovery* (PNR) introduced severe spending cuts in all government departments. The programme itself promised to maintain the real value of social welfare payments and to review health and education policy to ensure they operated efficiently. Employers got public spending cuts and industrial peace; trade unionists got a small percentage increase in pay and a commitment to increasing employment. They also got a guaranteed role in policy consultation, a favourable situation compared to the experience of the trade unions in the UK. In terms of the way in which the new policy ideas were institutionalised, social partnership was a key component as it facilitated the government capacity to achieve its key policy objectives, principally by ensuring industrial peace and presenting hard policy decisions as being the result of a widespread consensus. In moving towards a form of social concertation the government was able to institute neo-liberal economic policy solution and a harsh correction of the public finances without either an overall parliamentary majority or the backing of an ideologically committed party (Girvin; 1989). They were also embracing internationally current new ideas about the relationship of civil society to the state and consultative forms of policy making.

In 1987 the PNR was the most public expression of the new policy framework adopted by the government. It contained a commitment to the tight control of public finances that took the form of severe spending cuts to reduce indebtedness. It also established international competitiveness as the key goal of policy to ensure growth and it defined increasing employment as the major policy tool to reduce poverty. Anti-poverty policy itself was presented as a residual policy category in that it was subordinate to the needs of macroeconomic policy especially to competitiveness.

The long-term effects on anti-poverty policy resulted from the more nuanced aspects of the agreement. As a result of the both the severity of public spending cuts in the key social policy areas of health, housing and education and the priority of the commitment to control the level of government spending in the future there was a narrowing of policy tools to deal with poverty and social exclusion into the longer term. The Agreement also indicated that welfare policy would, as a priority, avoid what the document defined as 'poverty traps' in the provision of social welfare. One key outcome of this policy during the period of the social partnership agreements is that in spite of a frequently expressed concern with the extent of child poverty, the social welfare allowance for dependent children has not been increased, reflecting the overriding concern that social welfare should not disincentivise social welfare recipients with children from accepting low paid employment. Absolute not relative poverty was the key measure used in the Agreement and this subsequently became a more significant issue, as the country became wealthier and income inequality increased significantly.

The other key aspect of this paradigm was the way in which it was institutionalised. It was, from the beginning, a government led process. The government budget preceded the partnership agreement and set the context for the agreement. The budget also reflected the government's programme and the commitments it had made in the election; it was not a result of negotiations with the social partners. The government where aware that aspects of the budget would make the social partners have greater confidence in negotiating with the government, but the budgetary process was essentially independent of the partnership process.

In the subsequent agreements, the basic policy ideas that informed the *Programme for National Recovery* have determined the path of anti-poverty policy. The NESC document of 1986 set out four main policy areas that were designed to promote 'equality' and tackle poverty issues; social welfare; housing; health and education. While there is some variation in the layout of the subsequent NESC strategy reports and the agreements, over the years these policy areas featured in every agreement, and although their potential for dealing with poverty has always been acknowledged actual policy initiatives have been limited. The policy content of the Social Partnership agreements in these areas is summarised in table 2. What stands out is the extent to which the first partnership agreement provided a framework of ideas that subsequently set the agenda of the following agreements. This is in spite of the quite different circumstances that had emerged by the late 1990s and the on going

research on poverty (and proposals for policy solutions) that suggested a move outside this framework was necessary to achieve anti-poverty goals[6]. The policy on social welfare in the agreements implemented the rationalising reforms suggested by the Commission on Social Welfare (1986) but did not move beyond this. Social welfare has remained a safety net against absolute poverty, while the route out of poverty, for all categories of claimants, has been defined as moving into employment with the goal of avoiding disincentives to work continuing to be a key feature of government policy.

The first partnership agreement while it stated a general commitment to reform of the health service it did not promise that that reform would include a significant increase in funding at any time in the future. The agreements favoured a managerial approach that looked for greater efficiency in service provision for a reduced level of public spending, ensuring 'the most efficient and effective use of the available resources' (PESP 1991). The agreements contained very little on heath with the 2000 agreement merely committing the government to implement its national health strategy and promising a review of bed capacity but with no new initiatives negotiated or signalled. In 1987 the provision of public housing was not defined as an anti-poverty policy instrument – the focus of the government was on reducing the cost of maintaining the existing stock of public housing. Even commitments to narrowly specified areas of housing need such as homelessness only received a weak commitment to unspecified future action. The role of education in the agreement was a dual one of making a contribution to economic development and assisting in anti-poverty policy. It is clearly more central and the policy statements are more specific than those on either housing or health. The PNR recognised the importance of education in promoting equity; it committed the government to ensuring that the burden of cuts did not fall on the disadvantaged and set an objective of encouraging greater participation of disadvantaged people in education. Subsequent agreements did deal with issues of educational disadvantage as well as improving the educations system more generally.

After 1996 there is a trend in the NESC reports - which is strengthened with the formulation of the developmental welfare state - that widens the definition of 'welfare' to include the welfare of all those in employment not just the working poor. This includes quality of life issues such as 'work life balance'. While it can be argued that

[6] See Combat Poverty website www.cpa.ie.

Table Two summary of provision on Social Welfare, Housing, Health and Education in Social Partnership Agreements

Social Partnership Agreement	Social Welfare	Housing	Health	Education
PNR (1987)	▪ Maintain overall value of social welfare payments. ▪ Greater % increases for lowest payments ▪ PRSI for farmers and self employed ▪ Closer liaison with voluntary sector	▪ New housing bill will include provision for homeless ▪ Special emphasis on the housing needs of disadvantaged groups	▪ Notes, Commission on Health Funding about to report ▪ Emphasises importance of primary care	▪ Recognises importance of education in promoting equity ▪ 'ensure' burden of cuts does not fall on disadvantaged ▪ Government will Encourage participation of disadvantaged
PESP (1991)	▪ Implement the recommendations of the Commission on Social Welfare ▪ Maintain real value of social welfare and where possible improve ▪ Develop close Government links with voluntary organisations in this area ▪ Focus on low paid via family income supplement	▪ Will promote owner occupation and reduce reliance on local authority housing ▪ Local authorities will undertake assessment of numbers of homeless ▪ Special capital provision of £3 million for Travellers ▪ Small increase in local authority housing support	▪ Committed to overhaul health service administration to increase efficiency ▪ Adjustment of income limits for medical card holders ▪ Objective to ensure greatest possible equity in availability of services ▪ Private patients no longer to be treated in public wards ▪ Committed to maintaining private practice	▪ Confirms role of education in economic development ▪ Reduced public teacher ratios across system ▪ 60 Extra posts for disadvantaged schools ▪ Access programmes at 3rd level
PCW (1994)	▪ Maintain real value and make some progress on the priority rates as identified by the CSW ▪ Consideration to the closer integration of tax and welfare systems ▪ Look at issues of incentives to work and dependency	▪ Low commitment to social housing ▪ Provisions for homeless vague involving funding through local authorities and voluntary organisations ▪ Funding for travellers through local authorities	▪ Continuation of the commitments made in PESP ▪ Specifics fragmentary ▪ National Health Strategy to be drawn up	▪ Reduction in pupil teacher ratios ▪ More resources for disadvantaged schools ▪ Participation at 3rd level mentioned but no new proposals

Agreement	Social Welfare	Housing	Health	Education
Partnership 2000 (1996)	▪ Reform of the family income supplement ▪ Minimum rates suggested by the CSW before the end of agreement ▪ Consideration of poverty and income adequacy measures in the context of NAPs ▪ Child benefit discussed in context of integrating tax and social welfare and poverty traps/disincentives to work	▪ More participatory estate management policies to be developed in disadvantaged areas (discussed in context of urban renewal not housing) ▪ Programme of physical renewal of estates to continue	▪ Not addressed apart from some references to health aspects of gender equality.	▪ Recognises strong link between ed disadvantage and social exclusion ▪ Will prioritise resources to those with greatest needs ▪ Promote 3rd level access programmes ▪ Evaluate early start /breaking the cycle schemes ▪ Target early school leavers
PPF (2000)	▪ Increase real SW rates for all ▪ Statutory Nat Min Wage ▪ Tax relief for low paid ▪ Target of €100pw for lowest rates ▪ Incr. child benefit ▪ Relative income poverty to be examined ▪	▪ Focus on balancing supply and demand ▪ Planning Bill – 20% set aside for social and affordable housing ▪ Expand local authority housing to 22,000 starts ▪ Incr. in voluntary housing sector	▪ Implement national health strategy ▪ Review of bed capacity	▪ Implementation of 'new deal' report on ed. disadvantage ▪ Extra resources for special needs ▪ New teachers will be targeted at younger classes ▪ Improved 3rd level access programmes ▪ Focus is on mature students at 3rd level
Sustaining Progress 2003	▪ Meet target by 2007 for lowest welfare rates as set out in NAPS ▪ Increase social welfare pensions to €200pw by 2007 (in Programme for government)	▪ Addressed in special provision – affordable housing initiative ▪ Other statements vague	▪ A reference to access to primary health care and levels of inequalities ▪ Committed to equality but without any specific proposals	▪ Targets set to half proportion of pupils with literacy difficulties by 2006 and increase senior cycle completion to 90% - but no new actions listed ▪ Nat office for equality of access to 3rd level to be established

this is understandable in the context of full employment it does have the effect of de-emphasising those aspects of welfare designed to lift people out of poverty and glossing over the extent to which poverty remains a problem. This further 'residualises' anti-poverty policy, as it, in effect, becomes a residual even within the category of welfare.

The engagement of the community and voluntary sector

The narrow sector of civil society (the peak economic interest organisations) that the government primarily engaged with in the national social partnership negotiations was a product of the aims of the first social partnership agreement. It has not proved possible during the period of social partnership to successfully widen out the range of civil society organisations involved in social partnership while maintaining the integrity of the fundamental aims of the agreements – which have not significantly departed from the aims of the initial agreement. It is clear that from an early stage in the development of social partnership the government was caught in a contradiction in the process. This centred on the value that was being placed on consultation and engagement with relevant 'expert' or 'active' civil society organisations and the fact that different sectors of civil society had different levels of representative legitimacy and also different perspectives on the emerging hegemonic policy paradigm. A form of social partnership that genuinely negotiated social policy with an ad hoc range of civil society actors would have also been in conflict with the idea of the policy process being government led and reflecting a party political perspective that is embedded in the Irish political system and that was also reflected in the first social partnership agreement.

With the perceived success of the PNR (1987), and the decision to negotiate another partnership agreement, civil society organisations concerned with the alleviation of poverty identified the 'partnership process' as a key forum for policy development. Organisations made written submissions to the government on the anti-poverty measures that should be included in a future partnership agreement, and they argued that given the wide-ranging nature of the agreements, the negotiations themselves should be open to a wider range of actors. According to the *Programme for Economic and Social Progress* (PESP) agreement submissions from a range of groups 'were fully considered by the relevant Government Departments, discussed

with the organisations concerned and considered by the Government in deciding this Programme' (PESP; 1992). The demand for inclusion in the process by these groups intensified after the negotiation of PESP, which was perceived to have a strong 'social policy' content, or at least it appeared to set the social policy agenda for the following three years. Groups argued that it was unreasonable to privilege the position of the trade unions and employer's organisations in this type of negotiation given that the outcomes influenced a wide range of people that were not directly represented by either of these groups. The *Programme for Competitiveness and Work* (1994) used the same formula of words as had been used by the PESP when describing how the government had deal with pressure group submissions. Pressure group discontent with their exclusion from this major forum of policy development was growing, indicated in the *Report of the Second Commission on the Status of Women*, which advocated that the Council for the Status of Women (now the National Women's Council) be given a consultative role in the negotiations on the national agreements (1993: 224-225). The government eventually agreed to the inclusion of a number of civil society organisations in the negotiation of *Partnership 2000*, in spite of continued opposition from both employers and trade unions. Eight organisations from the voluntary and community sector were included in a 'second tier' of talks, separate from the main substantive negotiations that remained restricted to the established social partners.

Prior to the inclusion of the social pillar in social partnership negotiations the government had set up the National Economic and Social Forum (NESF) in 1993. In setting up the Forum the government may have hoped to deflect the focus of anti-poverty groups into a parallel channel to the NESC/Social Partnership policy process. This channel would deal with anti-poverty policy and other social policy within the framework of both the government's budgetary policy and the national social partnership agreements without impinging on the integrity of the negotiation of those agreements. In setting up the NESF the government distinguished its function from NESC in a way that went beyond the policy areas of their remit. While the function of NESC was to 'analyse and report' to the Taoiseach on 'strategic issues relating to the efficient development of the economy and the achievement of social justice', the mandate of NESF was to 'monitor and analyse the implementation of specific measures and programmes identified in the context of social partnership agreements especially those concerned with equality and social inclusion' (National Action Plan against Poverty and Social Exclusion, 2003). This put the two organisations in an essentially hierarchical relationship, with NESC continuing to play the key role in

strategic policy formulation while the NESF monitored the effectiveness of the implementation of policies agreed within the strategic framework set by NESC. In this way the government may have sought to diffuse demands for wider, or deeper, involvement in social partnership by civil society organisations while leaving the relationship between NESC and the social partnership agreements – as well as the relationship between the key social partners - virtually undisturbed. Although this strategy on the part of government proved to be unsuccessful, ultimately the social pillar was not integrated into the social partnership process in a way that made the formulation an anti-poverty strategy part of that process. [7] NESC still had the key role in strategic policy making in the area of 'social justice' - which includes anti-poverty policy, while the potential for having an impact on anti-poverty policy on the part of NESF was weakened by the wide nature of its policy remit, which went beyond issues specifically concerned with 'equality and social inclusion'. That it was not intended when NESF was established that it should act as a source of strategic policy ideas in the area of social policy in general and anti-poverty in particular, was emphasised by the way in which the National Anti-Poverty Strategy (NAPS) process evolved. NAPS and its successors were a government led process in which the engagement of civil society is fragmented across a government defined agenda of multiple sub committees and in which NESF plays a relatively minor role.

The National Anti-Poverty Strategy resulted from the fact that by the mid 1990s many countries were experiencing economic growth accompanied by growing inequality and the absence of a significant growth in employment resulting in continuing high levels of unemployment with its attendant social problems. This international trend resulted in a programme of action to combat poverty and social exclusion agreed at the UN World Summit for Social Development, held in Copenhagen in 1995. This international initiative was translated into an EU objective which called for member states to engage in a co-ordinated process to combat social exclusion. As a result the first National Anti-Poverty Strategy (NAPS) of 1997 was endorsed by the *Programme for Prosperity and Fairness* (PPF) Agreement (2000), which also gave an undertaking to review the NAPS in consultation with the social partners. The 2003 National Action Plan Against Poverty and Social Exclusion places NAPS within the social partnership process, stating in its opening section that '[t]his National Action Plan … is a product of the policies agreed and being developed under social

[7] In addition to this, by including members of the Oireachtas in NESF the government hoped to also dilute the critique of social partnership offered by some Oireachtas members, i.e. that it was undemocratic for a key decision making body to bypass the national parliament.

partnership' (2003, 2). In contrast to this NESF is included in chapter five as part of the 'equality infrastructure' (2003, 41).

The Current Phase of Social Partnership

While the anti-poverty measures in Partnership 2000 had been criticised for their vague and aspiration nature, by the time PPF was negotiated criticism had become crystallised and more definite measures that addressed poverty directly were being demanded. By this stage in both the central pay bargaining elements and the more peripheral 'social justice' elements of social partnership there was a sense that partnership in its current form could not continue as an effective vehicle for a consensual means of policy making. Post PPF a situation existed where there was the potential to abandon or revise social partnership given the changes in Ireland's circumstances and the diverse criticisms being levelled at social partnership. What has emerged in 2006 is a revising of social partnership to a 10 year agreement with more frequent national pay agreements in conjunction with what is described as a new approach to social welfare and the relationship between economic and social policy – the 'developmental welfare state'. In addition to this, the relationship of the 'voluntary and community' pillar to the social partnership process has been altered by the experience of the negotiations of *Sustaining Progress* (2003) in a way in which underlines the weakness of the model as a form of engagement between government and civil society on the issue of anti-poverty policy.

The Negotiation of Sustaining Progress

An Investment in Quality: Services, Inclusion and Enterprise (NESC 2003) responded to the widespread view that social partnership may not meet the needs of twenty first century Ireland advocating a 'new approach' to partnership. Given the difficulties in negotiating a social partnership agreement that had emerged by 2003, while the document favoured the continuation of social partnership agreements it also pitched its policy recommendation to fit a situation in which a social partnership agreement proved impossible to negotiate. The document states that 'rather than focus on partnership' it wanted to emphasis what policy framework was necessary 'with or without partnership agreement on the current model' (NESC, 2003: 180). It identifies a consistent policy framework contained in previous NESC strategy documents as one in which macroeconomic policy 'underpins low inflation and

steady growth of aggregate output', while complementary social policies 'facilitate and promote structural change' in the states welfare system 'in order to maintain competitiveness, eliminate barriers to participation and achieve social cohesion' (NESC, 2003: 171). The aim of the distributional aspect of the policy is 'an evolution of incomes which ensures continued improvement in competitiveness, which handles distributional conflict in a way which does not disrupt the functioning of the economy and which is fair' (NESC, 2003: 171).

The NESC document aims to redefine the content of these three elements in the context of the changes that have occurred during the period of social partnership (NESC, 2003: 147). This new approach consists of revising the 'timescale of social partnership' and moving towards a new relationship between social and economic policy embodied in the idea of the developmental welfare state. The idea of a developmental welfare state is fairly underdeveloped in the report, which argues that the future development of the economy and society require the 'developmental and welfare dimensions of public policy to be more closely linked' (2003, 130), and that welfare should be seen as supportive to economic development and not as an impediment to it. In spite of the rhetoric the actual policy recommendations of the report in the key areas of social welfare, health, housing and education remain firmly in the framework provided by the partnership paradigm, and it is also noticeable that all of the specific recommendations in the report were existing government policy.

The report in recommending that government move 'as soon as resources permit and earlier than 2007 if possible' to honour its commitment to bring the lowest level of social welfare payment to €150pw continues to make minimum income adequacy it's priority but only in the context of favourable budget conditions. Also continuing the position contained in partnership agreements since 1987 employment is seen as the dominant means of alleviating poverty and as 'a bulwark against social exclusion' (NESC 2003: 347-8). The report recommends that this 'perspective' continue to inform Ireland's practice of 'activation', towards employment (2003: 339). Welfare as before is residual and is constrained by the policy priority not to disincentivise people moving from welfare to low pay. The report welcomes 'substantial increases in Child Benefit' and the degree of 'horizontal equity' it provides, which while it is in keeping with previous positions on welfare-employment linkages it is in contrast to many submissions on this issue prior to the 2003 budget which argued that child benefit increases needed to be targeted at those most in need, rather than being paid

universally. The use of dependant child allowance to increase the incomes of families dependent on social welfare is not considered.

Housing is addressed in a section headed the 'Housing Market'. The only significant issue addressed is a brief debate on the governments 20% set aside policy outlined in the Planning and Development Act. The focus is on affordable rather than social housing and there are no proposals for new policies or a discussion of poverty – housing linkages. There is no dedicated section on health but the Council's observations on NAPS include a recommendation for more specific articulation of global targets, such as reducing socio-economic inequalities in health (352). It references 'authoritative viewpoints' suggesting that lower socio-economic status is the most powerful single contributor to premature morbidity and mortality worldwide. Improved levels of education are seen as part of the explanation for Ireland's economic growth in the opening chapter of the report (43) and the requirement of the economy and society for a highly education workforce, with ever increasing levels of education is set out in the concluding chapter (558). There is an explicit discussion on the linkages between child poverty and educational disadvantage and a strong argument for government policy to deal with these linkages. There is also a reference to the need to improve third level access for those currently underrepresented there. There are however no specific recommendations.

Talks began on a new partnership agreement at the end of October 2002. Not only did these talks begin in the absence of the NESC report (which was not published until March 2003 after the talks had concluded), but a briefing document from NESC drawn from the report in progress was not available until a couple of weeks into the process of negotiations.[8] This supports the view that government policy – rather than a strategic view emerging from the government and social partners via NESC – is the foundation of the social partnership negotiations. Serious criticisms of the partnership process, doubts about the value of a new agreement and pessimism about the ability of the social partners to negotiate an agreement compounded this negative beginning. Previous social partnership negotiations had begun with a certain amount of 'megaphone diplomacy' and apparently intractable differences between the key social partners. What was different about the circumstances of these negotiations is the degree to which the value of the entire process was being doubted, including a resurfacing of the criticism that social partnership reduced the

[8] *Irish Times*, 31 October 2002.

authority of the Dáil and Seanad and was essentially anti-democratic.[9] IBEC claimed that the social partnership process was 'suffering from fatigue' and had lost focus.[10]

The talks also began in economic circumstances that gave the government and IBEC some cause for concern. Although the economy was at virtually full employment, a slow down in growth, doubts about the international environment plus inflationary pressures in Ireland gave employers and the government leverage to begin the crucial pay aspects of the talks from a hard line position. IBEC predictably placed the emphasis on 'competitiveness' and argued for pay increases limited to low single figures, they also believed that given the circumstance some employers may even insist on a pay pause.[11] As a result of the government's stance on the requirements of a new agreement, placing the emphasis on maintaining competitiveness, pay restraint and controlling public expenditure, SIPTU accused the government of a bias towards the business sector, claiming that this had led IBEC to harden their position and to call for pay pause.[12] Little progress was made in the negotiations in November, as the pay element of the talks remained deadlocked; this situation was exacerbated by the publication of the public spending estimates in November[13] and the Budget that followed them in early December. The Irish Times editorialised that the budget had done 'serious, if not fatal, damage to the prospects of negotiation a new partnership agreement'.[14] While the employers organisations took a positive view of the budget seeing it as a 'serious attempt' to get public finances under control, David Begg (general secretary ICTU) viewed the budget in an essentially negative light stating it had done 'nothing to create a fairer society'. He went on to say however that it contained no 'structural impediment' to a new agreement, but it had 'not made the talks environment any easier'.[15] Groups in the voluntary and community pillar also expressed the view that the budget had made a deal harder to achieve and had 'undermined confidence' in the partnership process as the government had 'reneged on commitments to tackle poverty and social exclusion'.[16] The Simon Communities commented that before the government had outlined what they were prepared to include in the new deal on social exclusion the budget had

[9] Richard Bruton, Fine Gael reported in *The Irish Times*, 31 October 2002.
[10] *Irish Times,* 31 October 2002.
[11] *Irish Times*, 31 October 2002.
[12] SIPTU President Jack O'Connor, *Irish Times* 2 November 2002.
[13] *Irish Times*, 19 November 2002
[14] *Irish Times*, 7 December 2002.
[15] *Irish Times*, 5 December 2002.
[16] *Irish Times*, 10 December 2002

'already ensured that the outstanding commitments from the previous agreement would not be delivered'[17].

Although the ICTU was critical of the government's budgetary policy it also appeared keen to maintain social partnership, in spite of the fact that by the middle of December the talks on the pay elements of the deal appeared to be on the point of break down. At this point David Begg, in response to the criticism that had been levelled at the budget, argued in favour of the 'social value of consensus deals' with the potential to transform Ireland into 'a modern social democracy', which would have a 'capacity to give equal importance to economic efficiency and social justice'. He went on to say that there had to be a 'broad consensus … embracing the political realm and civil society'; however he stresses that **'**at the end of the day it is the government that calls the shots'. He argued that 'the partnership process is, always has been and always should be subordinate to the political process' and that the essential value of social partnership is that it engages civil society in the process of governance.[18]

In response to these difficulties the Taoiseach stated in mid December that he would not intervene to save talks, although he was committed to the social partnership process,[19] but by the beginning of January he was expressing a fear that a 'free' for all in pay bargaining could damage Ireland's competitiveness.[20] After a dramatically staged intervention by the government in mid January both ICTU and IBEC welcomed the initiative and responded positively 'in general terms'.[21] Following this successful intervention the Taoiseach wrote to representatives of the community and voluntary sectors informing them that a three-year agreement was still envisaged, in spite of the proposed 18-month pay deal. It is only at this stage that the social and community pillar really become involved in the negotiations with the government on Social Partnership. The Community and Voluntary sector expressed their disappointment with government proposals, claiming that a document presented by officials was little more than a restatement of existing commitments and was short on specific proposals. They were also concerned that even the commitments in the document were contingent on sufficient resources being available.[22] From the outset

[17] Simon News 5. www.simon.ie
[18] *Irish Times*, 16 December 2002.
[19] *Irish Times*, 19 December 2002.
[20] *Irish Times*, 6 January 2003.
[21] *Irish Times*, 14 January 2003.
[22] *Irish Times* 23 January 2003.

of the negotiations the members of the 'social pillar' were told by government officials that no additional resources for social inclusion would be offered as part of the negotiations, and there was no real opportunity to engage with the government departments or to negotiate the inclusion of 'any specific commitments'[23]. By the beginning of February after the circulation of a revised document by the government an agreement was still 'in the balance'. The lack of specifics put community group support for the agreement in doubt but there was no indication at this stage that groups were ready to leave the talks, although Community Platform was 'extremely pessimistic' as the agreement offered no specific commitments on social inclusion and CORI described the agreement as modest at best and that the government has put no resources on the table.[24]

Employers and trade unions, with evidence of internal division, ratified the agreement by the end of March. In the period between the negotiation of the agreement and its ratification by the ICTU and IBEC, the community and voluntary sector went through a period of debate as its constituent groups decided whether or not to endorse the deal, which was generally recognized to contain very little in terms of measures to alleviate poverty. The Society of Vincent de Paul accused the Government of 'dismantling social partnership' as they argued that *Sustaining Progress* was 'nothing more than a pay deal' and that there had been no 'meaningful negotiation with the community and voluntary sector. In their view the agreement carried no benefits for the poor and disadvantaged and the government had fudged the key issues in housing, social welfare, education and health, making a fundamental choice not to make resources available for the necessary social inclusion measures or to addressed the reality of poverty.[25] The Society of Vincent de Paul and Cori decided in spite of their reservations about the agreement to remain on the inside. As did the Irish National Organisation of the Unemployed (INOU), which voted for 'qualified acceptance' of Sustaining Progress while being critical of the lack of 'clear specific actions'.[26] Other groups including the Community Platform, the National Women's Council, and Simon decided to reject the agreement.

[23] Community Workers Co-operative, report on 'Sustaining Progress', page 1, www.cwc.ie/news/art03/sustain.html
Simon News 5, www.simon.ie
[24] *Irish Times*, 3 February 2003.
[25] *Irish Times*, 12 February 2003.
[26] *Irish Times*, 14 March 2003.

In the face of the discontent with the agreement in the community and voluntary pillar the Taoiseach sent what was described as a 'blunt message' to organizations thinking of 'walking away'. He promised high level policy engagement with those who stayed inside, while those who did not endorse the agreement, by implication would not enjoy this level of engagement.[27] Subsequently those voluntary groups who did not endorse the agreement such as Simon, National Traveller Movement, NWCI & Community Workers' Co-op claimed that they are being excluded from discussion on future social policy. Sean O'Regan, secretary to the Community Platform, said 'no one in the group was happy with the agreement and we decided as a group there was nothing in it to endorse for the groups we represent'. Noeleen Hartigan, policy officer with the Simon Communities of Ireland, said Simon could not ratify Sustaining Progress as it offered no meaningful solutions to tackling homelessness and poverty, the unanimous decision of the organisation was that in spite of being unable to endorse *Sustaining Progress* Simon was committed to the social partnership process. They were disappointed at the government's decision to reorganise the Community and Voluntary Pillar excluding Simon, saying that 'Social Partnership is now only open to those who will fully endorse the government's position'[28]. At that time it appeared that Simon would be excluded from the review of the National Homeless Strategy. The NWCI, also did not ratify the agreement because it did 'not in any way progress equality for women' as a result the organisation was excluded from a number of different policy areas.[29]

Groups from the 'voluntary and community' pillar were also critical of the way in which the negotiations were conducted from their perspective – which marked a change in the way in which previous negotiations had taken place. There was very little real negotiation. Government departments were not allowed to engage in bilateral meetings with members of the pillar, their main form of engagement was through plenary meeting or bilaterals with the government where only the Department of the Taoiseach and the Department of Finance spoke from the government side and '[O]nly on the last day was there very limited contact with officials from some departments around relatively minor textual changes'[30]. This contrast with the pillars view of previous partnership negotiations, the NWCI described the PPF negotiations as distinguished by the cohesiveness of the

[27] *Irish Times*, 24 February 2003
[28] Simon News 6, June 2003. www.simon.ie
[29] Report by Kitty Holland, *Irish Times*, 23 June 2003.
[30] Community Workers Co-operative, report on 'Sustaining Progress', page 1, www.cwc.ie/news/art03/sustain.html

Community and Voluntary Pillar in the face of what they described as the 'economic consensus' and felt that they had made some progress. They however also noted 'deepening the social partnership process beyond traditional objectives represents a significant challenge to the other social partners and the Government. In negotiation the agreement a clear conflict emerges between the power of social partnership to direct social policy and the limits, which Government sets on the process'[31].

One of the key features of the negotiation of *Sustaining Progress* is the attachment to social partnership displayed by the government both in the face of mounting criticism of social partnership and in the demonstrably weakened nature of the process itself. This later point includes the reduction in clarity of the relationship to the 2003 NESC report, the weakening support for the form of pay deal that social partnership embodies and the discontent in the voluntary and community pillar. The IFA (Irish Farmers Organisation) endorsement of the agreement was grudging and even securing that required the intervention of the Taoiseach. The organisation referred to the agreement as a 'public sector pay bill'[32] and others have commented on the government's interest in social partnership as a means of regulating public sector pay. Here it is argued that the government's interest in maintaining social partnership is broader and more fundamental than seeing it as a means of negotiating pay agreements with public sector unions, although that may be a factor. Social Partnership was conceived as a way of building social consensus around a set of policy measures at a time of crisis. The idea of a consensual (or at least consultative) process of policy making within the framework of policies set out in the first partnership agreement still underpins government thinking – and the government appears to be unwilling to envisage a different path. This is reinforced by a strong discourse that social partnership has played a key role in Ireland's economic growth. Tánaiste Mary Harney argued 'Working together through partnership has delivered. It has been a major contributor to the tremendous social and economic successes we have all been party to in recent years. It has also enabled us to respond flexibly to opportunities and the threats of the global market place'[33]. In the government's discourse there is a strong thread that links social partnership to a particular set of policies and the belief that only a narrow range of policies are possible if economic growth is to be maintained. There appears to be a fear that abandoning social partnership will produce a situation of uncertainty where all policies are up for

[31] www.NWCI.ie National Women's Council of Ireland, Opinion – PPF, Orla O'Connor Policy Analyst (NWCI Negotiator at Talks)
[32] *Irish Times*, 3 February 2003.
[33] Speech by An Tánaiste Mary Harney at the last plenary meeting of PPF (July 2003)

reconsideration. Abandoning one key aspect of the existing edifice of public policy will threaten the entire structure. Taoiseach Bertie Ahern warned of the 'dangers of policy errors' and expressed the fear that 'if we react in the wrong way, the consequences will be immediate and severe … as those who can remember the pre-partnership era know only too well, policy errors will be punished severely '[34].

Notwithstanding the rhetoric of the NESC strategy report regarding a 'developmental welfare state' the Agreement mirrored the lack of policy recommendations beyond existing government policy contained in the report – making the frustration of elements of the voluntary and community pillar with the process understandable. In the agreement *Sustaining Progress* (2003) social welfare is not treated as a separate section the references that exist are in the chapter 5, 'Delivering a Fair and Inclusive Society'. The NAPS had suggested new rates for the lowest welfare payments and the agreement gave a commitment to meet them by 2007. It also reiterated a commitment found in the Programme for Government that social welfare pensions would be increased over a 5-10 year period to 34% of average industrial earnings, reaching a target level of €200 by 2007 (2003: 57). Economic inclusion is once again based on employment and welfare is specifically identified as having the objective of being sufficient to sustain dignity and avoid poverty while facilitating employment. Although the Agreement made a general commitment to equality of access to health care resources it contained no action plans to achieve this. In response to the continuing rapid increases in house prices the Agreement included a special housing initiative focused on the impact of housing costs on the living standards of those in work. While this 'special initiative' set an objective of increasing the supply of affordable housing by 10,000 units, the focus of the document, more generally, is on increasing housing supply in the hope that it will reduce price pressures. However the rest of the document contains no significant statements on social housing. The government simply commits to make the best use of available resources. There are no new measures on social housing and no linking of housing and poverty. In education although there are some aspirational targets there are also no new policy initiatives.

By 2003 it seemed clear that although social partnership contained strongly institutionalised ideas about both the form anti-poverty policy should take and its

[34] An Taoiseach's remarks at the opening of the National Economic and Social Development Office (NESDO), 24 February, 2003.

relationship to the state's other policy priorities, it was not a place where such policy was formulated and discussed. The over arching policy ideas that informed social partnership also appeared to some to constitute a straightjacket on policy reform with any increased social welfare effort effectively defined as anti-competitive in this paradigm. As a result, voices within NESC looked to develop a policy formulation that could build a positive relationship between increased social spending and the international competitive position of the Irish state[35] the beginning of which was the idea of the developmental welfare state discussed in the NESC report of 2003.

The Developmental Welfare State

NESC elaborated the new relationship between economic and social policy to which the report had referred in *The Developmental Welfare State* (NESC 2005). The document brings back in the issue of the role of a wide range of social spending on poverty arguing that access 'to services – in health, education, housing and other areas – is also integral to social protection and, in some instances, more important to securing people's living standards and participation in society than having a higher money income' (Executive Summary: xiv). The 'Developmental Welfare State' (DWS) described in this document has three interlinked aspects; services, incomes and activist measures, but it regards the development of services as 'the single most important route to developing social protection' (executive summary, xix). This is in contrast to the acknowledged reduction in spending on the provision of key services such as health, housing and education during the period of the previous six social partnership agreements. This under funding is acknowledged in the executive summary of The Developmental Welfare State (2005) on page xvi. The list of 'services' that are included in the DWS is wide, as well as the three key ones listed above it also includes a number that are related to the quality of life of those in employment, to the population in general and some that could also be seen as services that could facilitate individuals with caring responsibilities enter the workforce; they include childcare, care of the elderly, transport and employment services (executive summary, xvii). In the provision of these services the primary role of the government is identified as being to act as 'regulator and guarantor' of services that are provided by a diverse range of actors in the non-profit and commercial sectors. Arguing that 'social protection that is paid for by the state does

[35] Conversation with member of NESC from this period.

not have to be provided by the state', the identification of 'the appropriate scale and nature of direct public service provision' is described as a 'subordinate challenge' (Executive Summary, xiv). It is envisaged that the majority of the population will use the same set of services. Mainstream providers will be required to adopt a 'tailored universalism' approach to accommodate a 'more diverse public, including people who are socially disadvantaged' (Executive Summary, xiv).

The three categories of needs in terms of income that are identified are child poverty; people of working age; and those on pensions. For those of working age social welfare with 'cover basic needs' for long-term social welfare recipients, while 'supplements and services' will encourage these individuals to move into paid employment. The DWS clarifies the emphasis of the previous NESC strategy documents on the role of employment in ending social exclusion when it spells out 'society's expectation' that people of working age is that they will participate in economic activity and its belief that 'only in rare cases does an individual have no capacity to develop a greater degree of self-reliance' and therefore seen to be dependent on some form of income supplement (Executive Summary: xxiii). The document reiterates the government's commitment to the provision of state pensions accepting 'that the basic state pension has to be the major bulwark for keeping retired people from being at-risk-of poverty and that access to it, or its equivalent, has effectively to be open to every person in retirement' (Executive Summary: xx). The DWS retains a commitment to the idea of universalism in the provision of child support but it is also advocated that a progressive element is introduced so that some children 'are supported more than others' (Executive Summary: xx).

The activist measure contained in the document appears to be support for the engagement of local actors – the community and voluntary, public and private sectors - in achieving the goals of the DWS. It seems to offer funding security for such groups who can meet agreed performance targets forming a 'network of diverse and autonomous service providers' (Executive summary; xx and xxii). This will require that 'statutory service providers' 'reconfigure their own budgets and models of delivery to accommodate these changes (Executive Summary: xxi). However the exact form these potential changes should take are not spelt out.

Do these new proposals amount to a paradigm change, particularly when taken in conjunction with the perception by actors from the 'voluntary and community' pillar that the negotiation of the 2003 partnership had marked a significant change in the

way in which the agreements were negotiated[36] and the 10 year timeframe of the 2006 agreement? After the negotiation of *Sustaining Progress* the idea of a developmental welfare state did not appear to have any impact on the wider policy community; it did not feature on the websites of engaged civil society organizations and neither is it mentioned in any Oireachtas reports[37]. This position changed to some extent with the publication of the *Developmental Welfare State* (NESC, 2005) and perhaps more significantly the appointment of an active minister, with a definite political agenda, into the Department of Social and Family Affairs. Following the publication of the NESC report on the developmental welfare state where was some limited coverage of its contents, however it was the appointment of Seamus Brennan as Minister and his proposed reforms[38] that produced a greater awareness of the concept of the developmental welfare state.

The social welfare system has been subject to some reform and rationalization, but the extent of this reform is consistent with Hall's first and second order changes in a policy regime, within the framework established by the first social partnership agreement. Even the radical sounding developmental welfare state is a further rationalization of these trends, encompassing the wider social policy trends in the provision of health services, housing and education. While the *Developmental Welfare State* further intensifies the idea that all adults of working age, irrespective of their special circumstances, should be employed and not dependent on social welfare, it also restructures the headings under which the range of social policy is discussed. This restructuring, focusing as it does on the individuals lifecycle, has the effect of de-emphasizing social policy areas such as health, housing and education as anti-poverty tools, because the discussion on these policy areas is fragmented between the separate sections dealing with children, people of working age, and people of retirement age. To the extent that these policy areas were relatively weakly represented in the partnership process this change merely serves to both consolidate the existing position and the mask the continued weaknesses in government policy in these areas.

[36] For the views of the Community Workers Co-op see www.cwc.ie/new/art03/sustain.html
[37] Results of a survey of websites and Dail reports conducted in 2004.
[38] See Dept website http://www.welfare.ie/

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The negotiation of the 2006 agreement like its predecessor was problematic, drawn out and accompanied by a discourse on 'life without partnership'[39]. In spite of this it was clear that the key players were 'determined to conclude an agreement if possible'[40] and that the government saw social partnership as a 'winning formula'[41]. IBEC was also strong in its commitment to partnership; although 'not an end in itself' it was a proven successful model 'that was the envy of the developed world'[42]. It was also observed in the media that the government wanted a social partnership deal the would take them through 'a tough general election campaign'[43] The agreement was for 10 years with annual reviews, however the pay deal component was only for 27 months. The agreement document entitled *Towards 2016 – 10 year framework Social Partnership Agreement*, is very long and detailed, covering a wide range of policy issues from road safety to foreign policy that amounts to a reiteration of current government policy in all departments rather than a negotiated agreement. While the document with a degree of understatement says that while 'not all policy issues covered … are necessarily agreed with the social partners' they provide a 'reference for the engagement in the relevant areas' (Towards 2016, 68). On the role of social partnership in policy development the document emphasizes that the 'Government has ultimate responsibility for decision making within the framework of democratic accountability' (Towards 2016, 68).

The press coverage of the negotiations and of the final deal emphasizes the peripheral nature of the engagement of the voluntary and social pillar, and the lack of real negotiations in this area[44]. It is also noticeable compared to the commentary on the finalizing of *Sustaining Progress* there was little debate around the implications for poverty issues of the agreement. Civil society organizations working in this area are no longer engaged with the social partnership process to the extent that would

[39] For example see Vincent Browne writing that a 'collapse of social partnership would be no bad thing', *Irish Times*, May 31, 2006, 'Social Partnering is nonsense'.
[40] *Irish Times*, May 30 2006, front page 'Taoiseach warns time is running out on pay deal talks'.
[41] *Irish Times*, May 27 2006, quoting Taoiseach speaking at the Impact Conference, page 5.
[42] Turlough O'Sullivan, Director General IBEC, writing in the *Irish Times* December 16 2006, page 16.
[43] *Irish Independent*, June 1 2006, Editorial
[44] *Irish Independent*, June 1 2006, Editorial.

have been the case previously[45]. The 2006 Agreement reaffirms the trends in anti-poverty policy since 1987. Employment is promoted as the primary vehicle for removing people from poverty. Welfare is a safely net to meet basic needs, it is not intended by government to address issues of inequality in society, and there is a deep seated disinclination to include any significant anti-poverty measures in education, health or housing policy. On balance, although *Towards 2016* contains a certain amount of repackaging it does not contain a redirection of policy when compared to previous social partnership agreements – it would be more accurate to call it a deepening and a clarification of existing policy paths. Nor does it seem that social partnership negotiations are now of significance to a range of groups active on anti-poverty issues, the policy activity of such groups focuses on specific aspects of the government system and their own networking.

Conclusion

The Irish social partnership process began in 1987 as an open-ended compromise in which the participants did not have to alter their long term policy objectives or their social and political analysis. In effect, it was a 'process', the end result of which was not predetermined at the outset. Although social partnership began as a policy solution to a situation of crisis, the key ideas on which the process was based became institutionalised and the number of possible policy paths was subsequently narrowed. This set of institutionalised ideas now shapes government policy including the 2006 Agreement. In effect, what was a short-term strategic consensus is now described by NESC (2003) as a 'common view', notwithstanding the contested nature of social partnership. In terms of poverty policy the 'common view' described by NESC is contained in the 'developmental welfare state' serving the needs of economic growth and international competitiveness. Welfare policy is a residual policy category and the parameters of welfare policy are conditioned by, and must serve economic ends.

[45] A survey of websites of groups who were both current and former member of the voluntary and community pillar in the aftermath of the conclusion of the negotiations of 'Towards 2016' even those groups who were currently engaged in the social partnership negotiations did not have any substantial commentary on the agreement. A reading of the websites (with the possible exception of Cori that contains a commentary on and links to former agreements) indicates that social partnership has become increasingly insignificant as a space for policy engagement to these groups. Pre-budget submissions and engagement with relevant government departments has remained significant for campaigning groups

While in the early years of social partnership, the agreements and the NESC strategy papers that preceded them, were a central and publicly visible forum for policy making, the exclusive significance of social partnership has diminished. This reduction in the policy significance of social partnership has resulted from both the institutionalisation of multiple consultative fora on a range of policy issues that draw on the partnership model and the fact that economic success has made achieving policy consensus with the social partners less pressing. Related to the issue of the importance of social partnership in the policy process overall is the issue of the way in which anti-poverty policy was institutionalised within social partnership. This question has two aspects - firstly, the place that anti-poverty policy occupies in the policy paradigm reflected in the social partnership process and secondly, the capacity of social partnership, as a dynamic negotiated process, to have an impact on the government's anti-poverty policy. In this regard the place of anti-poverty policy over this period is clearly that of a residual policy category, shaped primarily by the needs of macroeconomic policy. The engagement of pro-poor actors in the negotiation process had no significant impact. The community and voluntary sector could claim that they gained some marginal concessions in the early years of their involvement, but the negotiation of the last two agreements have shown no indication of any substantive negotiations on anti-poverty policy. In as much as the agreements reflect government policy there is no evidence of a shift away from the orthodoxy of the 'ideas' that have underpinned government policy for nearly two decades. Although the budgets since 2002 have reversed the trend of previous budgets and have been slightly progressive in their impact, this has reflected the concerns of Fianna Fáil to maintain electoral support and there is no evidence that this was linked to the social partnership process. Social partnership has from its inception been a government led process. The government budgetary process is separate from the partnership process and it is the budget that has primacy. The budgetary process has provided the framework for social partnership; it has not reflected the negotiated agreements. This dominance by government in the process is exemplified by the 2006 Agreement which is a detailed re-statement of government policy and which does not even claim to be a negotiated document.

This paper argues that social partnership as it exists today is based on the policy paradigm substantially established by the first social partnership agreement which institutionalised the ideational framework that determined the way in which economic and social policy was subsequently considered. The strength of using an ideational framework is not in its capacity to predict when paradigmatic shifts in policy will take

place, but in its ability to explain both how such shifts occur and the power of institutionalised ideas to frame subsequent policy discourse. It also points to the difficulty of achieving substantial policy reform without addressing directly the fundamental ideas on which a policy regime is based. The strongly institutionalised policy frame evident in the social partnership process has proven to be a barrier to developing anti-poverty policy beyond the parameters laid down in the early agreements. The implication of the analysis in this paper is that incremental change will not significantly alter the place of anti poverty policy within Irish public policy and it will require a reworking of the fundamental ideas that underpin this institutionally embedded policy regime to produce an effective response to the poverty and inequality in Irish society.

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- Programme for National Recovery (1987)
- Programme for Economic and Social Progress (1991)
- Programme for Competitiveness and Work (1994)
- Partnership 2000 (1996)
- Programme for Prosperity and Fairness (2000)
- Sustaining Progress' (2003)
- Towards 2016 – 10 year framework Social Partnership Agreement (2006)