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Social Partnership: From Lemass to Cowen*

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I am honoured to present the 2008 Countess Markievicz Memorial Lecture. The first woman elected to the House of Commons and Minister for Labour in the First Dáil, Constance Markievicz lived in tumultuous times. I well remember, some years ago, reading through the rather slim file in the State Papers' Office on the early work of the Department of Labour, where I came across Constance Markievicz's famous warning in 1921 of the imminence of social revolution in Ireland.¹

This was an era when the very basis and character of Irish society seemed 'up for grabs'. The dislocation to civil order caused by the War of Independence, combined with the new-found strength and confidence of workers in the booming rural economy of the First World War, had fuelled a surge in industrial militancy, as well as a spate of factory and land seizures throughout the country. Creamery workers plied their trade under the banner 'we make butter not profits' while the establishment of a co-operative fishery in Castleconnel inspired the newspaper headline: "Soviet eels in the Shannon"²

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¹ For details of Markievicz's memorandum to the cabinet see Arthur Mitchell, *Labour in Irish Politics 1890-1930*, Dublin: Irish University Press, 1974, pp. 141-142.

² See Emmett O'Connor, *Syndicalism in Ireland 1917-1923*, Cork: Cork University Press, 1988, Ch. 2.

We live in less tumultuous times than these. Indeed the subject of my lecture this evening, social partnership, has been associated with “low voltage” politics, or what Peter Katzenstein has described as a “relatively dull and predictable kind of politics”.³ Dull and predictable though it may be, especially when contrasted with the “heroic” era of labour and industrial relations during the first two decades of the twentieth century, the theme of social partnership is of undoubted importance. It is of course important for Ireland, given that it has been pivotal to industrial relations, politics and public policy over a period of more than twenty years. While commentators differ on the weighting social partnership should receive in accounting for Ireland’s economic recovery and unprecedented performance over much of the period since, few deny that its role was significant. Some indeed claim that it has fundamentally altered the “rules of the game” of economic governance in modern Ireland.⁴ But Irish social partnership is of more than national significance and interest. A salient feature of the past twenty years has been the interest shown in the Irish case by some of the most distinguished international scholars of the age in the fields of industrial relations, politics and economics.⁵ Our subject matter, therefore, is of no small importance, either for our understanding of modern Ireland or for what may be learned from the Irish case with respect to “social pacts” in general over the past two decades.

So it seems appropriate to commemorate Constance Markievicz – a political leader, active in the field of labour affairs – by examining the interface between politics and industrial relations that has been such a key dimension of social partnership. And I wish here to focus on the role of political leaders in the development of the Irish social partnership model.

I SEAN LEMASS: CORPORATIST VISIONARY AND PRAGMATIST

It is standard to trace the advent of social partnership to the economic and social crisis of the 1980s and to the signing of the *Programme for National Recovery* (PNR) in 1987, with perhaps a passing reference to national pay agreements and understandings during the 1970s. In the standard account

³ Peter Katzenstein, 1985. *Small States in World Markets: Industrial Policy in Europe*, Ithaca: Cornell University Press, p.32 and p. 87.

⁴ See Rory O’Donnell, “Towards Post-Corporatist Concertation in Europe” in Helen Wallace (ed.), *Interlocking Dimensions of European Integration*, London: Palgrave, 2001, pp. 305-321.

⁵ For reviews of some key contributions to understanding aspects of the Irish model by international scholars, see W. K. Roche., “Social Partnership in Ireland and New Social Pacts”, *Industrial Relations*, Vol. 46, No. 3, 2007, pp 395-425; W. K. Roche, “Social Partnership and Workplace Regimes in Ireland”, *Industrial Relations Journal*, Vol. 38, No. 3, 2007, pp. 188-209.

the names of Haughey and Ahern loom large as the twin political architects of the social partnership model. I wish to suggest that to understand the origins and lineage of social partnership we need to wind the clock back almost a half century and to examine the towering figure of Sean Lemass, a founder of Fianna Fail, long-serving government minister and eventual Taoiseach from 1959 to 1966.

During the 1930s Lemass was instrumental in mobilising trade union and working-class support for Fianna Fail, as the new Party set out to create an electoral support base across the social class spectrum. Lemass has been described during this period as a “proto Keynesian” due to his support for public spending and public works as ways of combating rising unemployment.⁶ Though he was disdainful of the Catholic corporatism of the war-time Commission on Vocational Organisation, the transition to economic normalcy following the war-time Emergency led Lemass to propose a series of radical measures with strong corporatist leanings.⁷

He advocated a Keynesian approach to economic policy, involving the use of public finance as an instrument for managing aggregate demand and pursuing full employment.⁸ He sought to win employer and trade union support for a new form of wage bargaining that would be co-ordinated with national economic priorities and ultimately subservient to economic imperatives.⁹ He canvassed the creation of works councils to give unions a role in what he described as the “maintenance of factory discipline”.¹⁰ He tried to establish an Industrial Efficiency Bureau to root out inefficient management practices and to penalise recalcitrant proprietors and managers.¹¹ He proposed the creation of industrial councils in which employers, union representatives and third parties would co-operate to find ways of improving industrial management and performance.¹²

⁶ See Richard Dunphy, *The making of Fianna Fail in Power in Ireland 1923-1948*, Oxford: Oxford University Press, 1995, pp 148-9.

⁷ For a discussion of Lemass’s response to the Commission’s report, see Joe Lee, *Ireland 1912-1985: Politics and Society*, Cambridge: Cambridge University Press, pp. 276-277.

⁸ See especially Memorandum on Full Employment from Minister of Industry and Commerce, 16 January 1945, UCD Archives, McEntee Papers, P67/264.

⁹ Memorandum from Minister of Industry and Commerce to Departmental Secretary, 13 July 1944; memorandum for Government, 23 October 1944, National Archives of Ireland (hereafter NAI), Department of Industry and Commerce, IR19.

¹⁰ Memorandum on Full Employment from Minister of Industry and Commerce, 16 January 1945, UCD Archives, McEntee Papers, P67/264, pp. 25-6.

¹¹ Explanatory Memorandum Relating to the Establishment of an Industrial Efficiency Bureau and to Amend the Control of Prices Acts in certain Respects, 26 February 1946, NAI, Department of the Taoiseach, S13814A.

¹² Industrial Prices and Efficiency Bill 1947, Part V, Development Councils for Industry, NAI Department of the Taoiseach; *Dail Debates* Vol. 108 col. 733.

Much of this endeavour came to grief in the face of opposition from business and the public service, and not least, from more conservative elements within Lemass's own party.¹³ Lemass's radical proposal in 1944 to establish what he described as a "public authority" to supervise wage determination was narrowed down, largely it seems on pragmatic grounds, into a new system of dispute resolution.¹⁴ The result was the establishment of the Labour Court in 1946 – Lemass drafting his outline for the Court at home in a child's copybook.¹⁵ The creation of the Labour Court was a radical enough measure in its own right, but it was still a pale shadow of the wholesale restructuring of wage bargaining originally envisaged by Lemass, and it was not altogether consistent with his original aim.

While Lemass's post-war corporatist blueprint had failed politically by the end of the 1940s, he continued to support centralised pay bargaining, and brokered national pay agreements in 1948, 1957 and 1964.¹⁶ Blueprint corporatism evolved into pragmatic corporatism. During the early 1960s Lemass stimulated and supported moves from sections of business and the public service to centralise collective bargaining and to create institutions that would co-ordinate pay bargaining with economic policy.¹⁷ The explicit models guiding these moves were the small European corporatist democracies, in particular the Netherlands and Sweden. These moves also involved Ken Whitaker, the chief architect behind the ending of protectionism and the

¹³ For accounts of the fate of Lemass's various proposals, see Kieran Allen, *Fianna Fail and the Irish Labour Movement, 1926 to the Present*, London: Pluto Press, 1997, Ch. 4; Paul Bew and Henry Patterson, *Sean Lemass and the Making of Modern Ireland 1945-66*, Dublin: Gill and Macmillan 1982, Ch. 1; Richard Dunphy, *The Making of Fianna Fail in Power in Ireland, 1923-1948*, Oxford: Oxford University Press, 1995, Ch. 5; Brian Girvan, *Between Two Worlds: Politics and Economy in Independent Ireland*, Dublin: Gill and Macmillan, 1989, Ch. 5; Joe Lee, *Ireland 1912-1985: Politics and Society*, Cambridge: Cambridge University Press, Ch. 4.

¹⁴ Three main forces appear to have been at play in the narrowing down of the original proposal. First, the trade unions informed Lemass that they had no common policy on this area and would find it difficult to articulate a Congress view. (See Memorandum of Meeting with the Irish Trade Union Congress, NAI, Department of Industry and Commerce, 14 February 1945, IR19). Second, the ITUC split in 1945, making progress on Lemass's original proposal logistically more difficult. Finally, Lemass and his civil servants feared the imminent end of war-time wage control in 1946 in the absence of a new system of dispute resolution.

¹⁵ See John Horgan, *Sean Lemass: The Enigmatic Patriot*, Dublin: Gill and Macmillan, 1997, p. 123.

¹⁶ See David O'Mahony, *Economic Aspects of Industrial Relations*, Dublin: Economic and Social Research Institute, 1965.

¹⁷ Sections of the FUE pressed for the creation of a 'national economic council' or 'national labour board', to be modelled on the Dutch system of industrial relations. Speeches by Lemass on the need for representatives of management and labour to reach a national understanding in their approach to the development of the economy appear to have been a catalyst for the FUE's initiative. See Memorandum on the Proposed Establishment of a National Economic Council or National Labour Board, NAI, Department of Industry and Commerce, W196CT.

promotion of economic liberalisation. Whitaker envisaged active government involvement in pay bargaining and the use of fiscal and monetary policy to control inflationary pay pressures – for good measure recommending in 1961-62 the abolition of the Labour Court in its existing voluntarist form.¹⁸

It bears emphasis that the Lemass-Whitaker proposals that crystallised during the 1960s envisaged nothing short of the wholesale recasting of pay bargaining and industrial relations in Ireland on the model of the European corporatist democracies. The industrial relations reform proposals were a significant feature of the wider economic development programme that Peter Mair has aptly referred to as “Lemass-Whitaker corporatism”.¹⁹ The genesis of this programme was rooted in the political volatility generated by persistent economic stagnation, high unemployment and unremitting emigration from the late 1940s and throughout the 1950s. Fianna Fail had lost power to inter-party governments between 1948-51 and again between 1954-57; and, for a time, new political parties, in particular Clann na Poblachta, threatened the Party’s electoral support base.²⁰ It has been observed that one of Lemass’s specific political objectives in that context involved rebuilding Fianna Fail’s faltering support among its working-class base. This led Lemass to invite union leaders to join such newly created corporatist institutions as the National Industrial and Economic Council (NIEC) and the Committee on Industrial Organisation.²¹ Union and working-class support was copper-fastened by Fianna Fail’s “leftward shift” during the mid-1960s. This too was engineered by Lemass and – though the point is more contentious – was seen by some to have been responsible for a significant rise in social spending. Here Lemass departed for political reasons from Whitaker’s more austere and

¹⁸ A review of the prevailing system of dispute resolution, initiated by the Department of Industry and Commerce in 1961, led Whitaker to propose a move to centralised pay bargaining, coupled with active monetary and fiscal policies, geared to achieving wage moderation. Wage policies and industrial relations institutions in the Netherlands and Sweden were seen as having relevance for Ireland. See A Preliminary Note on Wages Policy, June 1961, NAI, Department of Industry and Commerce, W196 CT3; Memorandum from Whitaker to the Minister for Finance, 1 September 1961, NAI, Department of Industry and Commerce, W196 CT3; Whitaker to the Secretary of the Department of Industry and Commerce, 5 February 1962, Draft proposals by Whitaker for a Tripartite Council, 16 February 1962, in NAI, Department of Industry and Commerce, W196 CT4.

¹⁹ Peter Mair, ‘Party Competition’ in Michael Laver, Peter Mair and Richard Sinnott eds., *How Ireland Voted 1987*, Dublin: Poolbeg Press, pp. 30-47.

²⁰ See Paul Bew and Henry Patterson, *Sean Lemass and the Making of Modern Ireland 1945-66*, Dublin: Gill and Macmillan 1982; Peter Mair, *The Changing Irish Party System*, London: Frances Pinter, 1987, pp. 51-5.

²¹ Paul Bew and Henry Patterson, *Sean Lemass and the Making of Modern Ireland 1945-66*, Dublin: Gill and Macmillan 1982, Ch. 6.

orthodox insistence on prioritising so-called productive investment in public spending programmes.²²

But Lemass had seriously underestimated the challenge of transforming the Irish industrial relations system. The National Employer-Labour Conference, which had been spawned from the joint reforming efforts of Lemass, Whitaker and sections of business, collapsed soon after its inception in a row over incomes policy.²³ It was to remain defunct until the 1970s when it re-emerged as a forum for the negotiation of national pay agreements. The NIEC also came unstuck over the issue of incomes policy.²⁴ These and the other bipartite and tripartite bodies sponsored by Lemass only marginally impacted on economic governance and public policy. In effect, the various corporatist institutions created in the ferment of institutional innovation from the late 1950s to the mid-1960s had been bolted on to a system of pay bargaining and industrial relations in which the centre of gravity continued to be defined by unions' faith in sectional free collective bargaining and most employers' willingness to accommodate such a posture.²⁵

I have tried to capture the broad sweep of Lemass's vision and practical involvement in industrial relations. Though social partnership, as we now know it, had yet to come into being, some of the key elements of the model are evident in Lemass's ideas and practical initiatives. Lemass sought to centralise collective bargaining permanently and to align pay bargaining with the pursuit of economic priorities. He envisaged an active role for the state in pay determination. He canvassed the notion of union involvement in industrial governance. He was an effective mediator, and brokered a number of centralised pay agreements. He was the first Taoiseach to articulate "big

²² Paul Bew and Henry Patterson, *Sean Lemass and the Making of Modern Ireland 1945-66*, Dublin: Gill and Macmillan 1982, pp. 160-4. Cf. Kieran Allen, *Fianna Fail and the Irish Labour Movement, 1926 to the Present*, London: Pluto Press, 1997, p. 114-5.

²³ See Kurt Jacobsen, *Chasing Progress in the Irish Economy*, Cambridge: Cambridge University Press, 1994, p. 81 and Charles McCarthy, *The Decade of Upheaval: Irish Trade Unions in the 1960s*, Dublin: Institute of Public Administration, 1973, p. 50.

²⁴ Kurt Jacobsen, *Chasing Progress in the Irish Economy*, Cambridge: Cambridge University Press, 1994, pp. 81-2.

²⁵ The National Employer-Labour Conference, in particular, would have disappointed the would-be reformers. The Council's Economic Sub-Committee expressed scepticism about the need to adopt 'Continental systems of industrial relations', concluding that 'collective bargaining is the method in Ireland and to follow the practices of other countries would require a complete recasting of the whole system of industrial relations and changes in the character of employers' organisations and of trade unions'. Instead, the Sub-Committee put forward the view that 'Ireland must find its own solutions to the problems that exist in the field'. See Report of the Economic Sub-Committee of the National Employer-Labour Conference, July 1962, NAI, Department of Industry and Commerce, W209.

ideas” in the field of industrial relations, bringing the Department of the Taoiseach into the arena in a significant way. It seems clear that neither he nor Whitaker appreciated that “social compensation” and significant social spending were important elements of corporatist arrangements in some of the European states whose industrial relations institutions they wished Ireland to emulate.²⁶ It is doubtful that he ever envisaged the kind of formal and specific trade-offs between employers, unions and the state now at the core of social partnership programmes. But it is unlikely that he would have baulked at these. His early support for Keynesianism pointed squarely in this direction, as did his proposal prior to the 1964 national wage agreement that pay rises might compensate for the effects of a new sales tax introduced by his government and that a proportion of the rise in national output might be channelled towards improvements in social welfare.²⁷

While the *direct* lineage between Lemass’s corporatism and the current social partnership model may be limited enough, overall, in reading Lemass’s papers, it is quite startling that so much – especially so much that would eventually come to pass – could emanate from the mind and imagination of a single politician in an age without “think-tanks”, expert advisors and all the associated paraphernalia of the modern political and administrative world.

II LYNCH AND O’DONOGHUE AND THE KEYNESIAN INTERLUDE

Reviews of corporatist industrial relations systems or episodes in post-war Europe reveal that they commonly coupled the search for pay restraint with Keynesian economic policies.²⁸ The basic idea involved compensating unions for pay moderation by increasing public and social spending, and by creating jobs, especially in the public sector. Ireland was different. Short of the residual Keynesianism involved in the introduction of capital budgeting by the first Irish inter-party government, and the “improvised” Keynesianism of Lemass’s famed “shift to the left” in the mid 1960s, such ideas carried little weight in Irish public policy or economic management until the second half of the

²⁶ Peter Katzenstein, *Small States in World Markets: Industrial Policy in Europe*, Ithaca: Cornell University Press, 1985, pp. 47-57.

²⁷ *Irish Times*, 7 and 21 December 1963.

²⁸ See Franz Traxler, Sabine Blasche and Bernhard Kittel, *National Labour Relations in Internationalized Markets: A Comparative Study of Institutions, Change and Performance*, Oxford: Oxford University Press, 2001, Ch. 10.

1970s.²⁹ Jack Lynch, Lemass's anointed successor as Taoiseach, was an industrial relations conservative during his spell as Minister for Industry and Commerce – in sharp contrast with his patron's role in that department.³⁰ But ironically Lynch was now to become party to a significant Keynesian-style experiment in tripartite wage bargaining, as his Government attempted to stimulate economic recovery in the shadow of the recession brought about by the first oil crisis.³¹

Ireland's foray into Keynesian policy measures allied with the search for pay moderation and a new form of industrial relations was to be short and highly inglorious. Pay bargaining was eventually centralised in 1970 in response to mounting employer and government concerns about the inflationary impact of decentralised pay rounds and in response to the trauma inflicted on unions by the cataclysmic maintenance dispute of 1969. The pattern throughout the 1970s involved national pay bargaining, issuing in nine successive national agreements up to 1981. Over the course of the decade national pay agreements became progressively tripartite in character. At first both Fianna Fail and Fine Gael-Labour coalition governments bargained at

²⁹ On the influence of Keynesian ideas on Whitaker and among sections of the Department of Finance in the early post-war period and on the introduction of capital budgeting, see Ronan Fanning, *The Department of Finance 1922-58*, Dublin: Institute of Public Administration, 1978. Cormac O'Grada equates the drift towards economic 'programming' and associated macro-economic policy from the late 1950s with experimental Keynesianism, but he also traces the limited impact of the Keynesian fiscal paradigm on economic policy makers up to the late 1970s. See *A Rocky Road: The Irish Economy Since the 1920s*, Manchester: Manchester University Press, 1997, p. 41 and *passim*. On the primacy of the balance of payments in economic and fiscal policy and its effects, see Tom Garvin, *Preventing the Future: Why was Ireland so Poor for so Long?*, Dublin: Gill and Macmillan, 2004: 79-80.

³⁰ In the debate on reforming the Irish industrial relations during the early 1960s, Lynch and his Department adopted a consistently conservative stance and sought largely to defend the prevailing systems of collective bargaining and dispute resolution and to disavow the practicality in Irish circumstances of Continental models of industrial relations. Revealing in this respect was Lynch's response to a proposal by Erskine Childers, Minister for Transport and Power, that the 'Dutch system' of industrial relations merited examination and emulation. Lynch's reply to Childers, strongly influenced by his Department's advice that a change in the present system relating to the fixing of wage levels was 'outside the realm of practical politics', stated: 'My view is that the present system under which wages and conditions of employment are negotiated largely by employers and workers with a minimum of interference from the State is the one most suitable to our conditions and that it should not be disturbed'. In NAI Department of Industry and Commerce, W153, Letter from Lynch to Childers 20 October 1959. The posture of Lynch and his Department are also outlined in Memorandum – Minister for Transport and Power's Suggestion for the Introduction of Wage Fixing Machinery, 8 October 1959, Collaboration Between Workers, Employers and the State in Regard to Wages, 30 October 1959.

³¹ For an examination of the background to the Lynch-O'Donoghue programme, see Dermot Keogh, *Jack Lynch: A Biography*, Dublin: Gill and Macmillan, 2008, pp. 403-8; Andrew McCarthy, 'Lynch and Economic Policy', paper presented to 'Jack Lynch: Politics and Sport, Personality and Leadership' (unpublished), University College Cork, Department of History, 3-4 October 2008.

arms length with unions and employers by offering budgetary concessions in the areas of tax and social welfare to reward moderate pay rises. One observer of this development was led to remark that the near formal coupling of budgetary policy with pay bargaining in the mid 1970s (by the Fine Gael-Labour Coalition of the day) might eventually come to be seen in retrospect as one of the most profound changes in the practice of democratic government in the history of the state.³² But retrospect allows us to see this development as but a modest move along the road to formal tripartite bargaining.

Underlying the growing politicisation of pay bargaining was the advent of what has variously been described as “bastardised”, “vulgar” “mangled” or “textbook” Keynesianism.³³ Fianna Fail’s landslide victory in the 1977 general election was the springboard for the first and only truly Keynesian interlude in Irish pay bargaining. A highly expansionary fiscal policy, masterminded by Minister for Economic Planning and Development, Martin O’Donoghue, and funded by sharply rising public debt, provided the basis for tripartite agreements intended to reward pay restraint with job creation and other economic concessions. This process culminated in the so-called National Understandings for Economic and Social Development of 1979 and 1980. Through such developments Ireland was belatedly following the path of a number of West European countries that had sought to couple pay moderation with government policies designed to boost demand and reduce unemployment.

The experiment was, of course, an economic and industrial relations disaster. Ray MacSharry subsequently sought to defend the underlying economic strategy by pointing out that the original plan had resembled a two-stage rocket. Stage 1 was intended to prime economic recovery through deficit spending, while stage 2 was intended to generate the tax buoyancy required to repay the increased public debt incurred. Stage 2 never fired, as the Keynesian rocket was thrown off course by the second oil crisis.³⁴

This account may be plausible as far as it goes. But relevant also was the highly unstable and profligate nature of the tripartite pay bargaining that had evolved during the decade. Governments had become prone to buying off pressure by offering inconsistent and ultimately unsustainable concessions to a range of different interest groups. Unions and employers had never arrived

³² See James F. O’Brien, *A Study of National Wage Agreements in Ireland*, Dublin: Economic and Social Research Institute, 1981. p. 144.

³³ The terms appear respectively in Joe Lee, *Ireland 1912-1985: Politics and Society*, Cambridge: Cambridge University Press, p. 467; *A Rocky Road: The Irish Economy Since the 1920s*, Manchester: Manchester University Press, 1997, p. 230; Dermot Keogh, *Jack Lynch: A Biography*, Dublin: Gill and Macmillan, 2008, p. 405; Kieran Allen, *Fianna Fail and the Irish Labour Movement, 1926 to the Present*, London: Pluto Press, 1997, p. 152.

³⁴ Ray MacSharry and Padraic White, *The Making of the Celtic Tiger: Inside Ireland’s Boom Economy*, Cork: Mercier Press, 2000, p. 49.

at anything resembling a common analysis of the roots of the mounting economic crisis.³⁵ Both parties were unable or disinclined to deliver on their pledges in the areas of pay moderation or industrial peace. “Second-tier” pay bargaining or “pay drift” became standard.³⁶ In those charmed days many could hope for three annual pay rises each year: an increment, a national pay rise and an “anomaly”, “special” or “productivity” award. While employers and governments complained of the bad faith of union leaders, trade union members saw little reason to moderate their pay demands against a background of high inflation and an escalating income tax burden. Industrial conflict, or working-class militancy as some might prefer to portray it, reached a historical peak during the decade.³⁷ The PAYE movement, which had brought huge numbers onto the streets to protest against the sharp rise in income tax, almost overwhelmed union leaders and the centralised bargaining to which they were party.³⁸ Now that centralised bargaining with active government involvement had arrived, Lemass’s corporatist vision seemed more like an anarchical nightmare.

By the early 1980s none of the parties to the tripartite accords were convinced that their interests had been well served, and each was more or less critical of what they saw as the bad faith of the other parties. Small wonder then that, in the words of an employer leader of the time, national pay bargaining eventually “collapsed under its own weight” in 1981.³⁹ Ireland had by then entered the most serious and sustained economic and social crisis in its modern history.

III CHARLES HAUGHEY AND THE GENESIS OF SOCIAL PARTNERSHIP

That crisis and its profound impact on state, union and employer postures altered fundamentally the rules of pay bargaining and state engagement and led to the genesis of the current social partnership model. The kinds of institutional arrangements envisaged by Lemass but lying beyond his grasp were now to become mainstream features of Irish industrial relations.

³⁵ See Niamh Hardiman, *Pay, Politics and Economic Performance in Ireland 1970-1987*, Oxford: Oxford University Press, 1988.

³⁶ Michael Fogarty, Dermot Egan and Loudon Ryan, *Pay Policy for the 1980s*, Dublin: Federated Union of Employers, 1981.

³⁷ Teresa Brannick, Linda Doyle and Aidan Kelly, ‘Industrial Conflict’, in Thomas Murphy and William K. Roche eds, *Irish Industrial Relations in Practice*, Dublin: Oaktree Press, 1997, pp. 299-324.

³⁸ Dermot Ferriter, *The Transformation of Ireland, 1990-2000*, Dublin: Profile Books, 2005, pp. 667-9.

³⁹ Conversation with Eugene McCarthy, former Director, Federated Union of Employers.

Enter Charles Haughey – whether at stage left or stage right remains a matter of some contention! In the final years of his life Haughey appeared to view his role in securing the PNR and launching the social partnership era as an important, or even as the most important, aspect of his political legacy.⁴⁰ Recent commentary on the genesis of social partnership has tended to reflect this view: portraying Haughey as something of a social partnership visionary, whose perspicacity was fundamental in paving the way for the “Celtic Tiger”.⁴¹

The sociologist Kieran Allen has portrayed Haughey in less flattering terms, suggesting that he was already a convinced “monetarist” on his election as leader of Fianna Fail in 1979.⁴² But Haughey’s alleged monetarism or fiscal conservatism, as Allen himself has well documented, amounted in practice to a very flexible posture indeed, and one that permitted him to engage in a variety of fiscally reckless political and industrial relations deals or “strokes”, aimed at securing short-run advantage and at buying off pressure.⁴³

Rather than viewing Haughey as a fiscal conservative, or as a monetarist in corporatist “drag”, wedded to little more than the rhetoric of social partnership, it appears more valid to view him as a political opportunist or “political adventurer” (Allen’s term again).⁴⁴ And I wish to suggest that it was more as a political opportunist than as a monetarist or corporatist visionary that Haughey embraced social partnership in 1987.

In the teeth of the 1980s economic and social crisis, Haughey had been persuaded to enter an informal accord with the Irish Congress of Trade Unions (ICTU) on the strength of Congress’s 1984 strategy document, *Confronting the Jobs Crisis*. He famously chaired the first meeting between the Fianna Fail front bench and the ICTU Executive to have taken place since the era of Sean Lemass – a meeting at which each side discovered that they could “do

⁴⁰ Haughey was concerned that the history of social partnership and of his role therein should be recorded. Following the publication of his work, *Lockout: Dublin 1913* (Dublin: Palgrave 2000), Padraig Yeates, the distinguished journalist, author and industrial correspondent of *The Irish Times*, was invited by Charles Haughey to Kinsealy [Haughey’s Dublin home]. Haughey asked Yeates to write a history of the genesis of social partnership in 1987. He offered to fund the study and to provide introductions to various people involved. Communication with Padraig Yeates.

⁴¹ See Ray MacSharry and Padraic White, *The Making of the Celtic Tiger: Inside Ireland’s Boom Economy*, Cork: Mercier Press, 2000; Tim Hastings, Brian Sheehan and Padraig Yeates, *Saving the Future: How Social Partnership Shaped Ireland’s Economic Success*, Dublin: Blackhall Publishing, 2007.

⁴² Kieran Allen, *Fianna Fail and the Irish Labour Movement, 1926 to the Present*, London: Pluto Press, 1997, pp. 158-9.

⁴³ Kieran Allen, *Fianna Fail and the Irish Labour Movement, 1926 to the Present*, London: Pluto Press, 1997, Ch. 7.

⁴⁴ Kieran Allen, *Fianna Fail and the Irish Labour Movement, 1926 to the Present*, London: Pluto Press, 1997, p. 173.

business” with the other.⁴⁵ While Haughey stridently opposed the curbs on public spending introduced by the Fitzgerald-Spring Coalition and encouraged public sector unions in their militant opposition to curbs on pay, by 1986 he appears to have become convinced of the need for fiscal discipline on foot of the advice proffered by a group of economists from whom he had sought counsel.⁴⁶ This advice was hardly revelatory. With the publication of the iconic National Economic and Social Council (NESC) Document, *A Strategy for Development*, if not before, the supreme challenge of regaining control over public debt and spending had become a matter of near consensus across the political spectrum.⁴⁷

While Fianna Fail campaigned on a strongly corporatist platform in the 1987 general election – advocating a return to national pay bargaining – after the election, Haughey ignored a commitment to the ICTU to consult with it prior to framing his Government’s first budget, and famously announced spending cuts well in excess of those mooted by Fine Gael in the dying days of the outgoing Coalition.⁴⁸ Though the political attractions of tying the unions into a programme that involved acute cuts in public spending were obvious, it was Haughey’s trusted Departmental Secretary, Padraig O hUiginn, who persuaded him that an acceptable deal could be done with ICTU, and that the Party’s corporatist pact with the unions was indeed capable of realisation now that the election was past.⁴⁹ Haughey may well have been prepared to implement deep spending cuts without union agreement – as suggested by the announcement of a second round of spending cuts in 1988 in the face of protests from the unions that these had not been trailed during talks on the PNR.⁵⁰ It became part of the mythology surrounding the PNR that Haughey had secured the deal by “strong-arming” employer leaders into accepting the pay agreement. The reality was that the Federated Union of Employers (FUE), while harbouring reservations about some aspects of the agreement – not least about Haughey’s commitment to fiscal discipline – were well satisfied with the modest pay deal on offer.⁵¹

⁴⁵ Tim Hastings, Brian Sheehan and Padraig Yeates, *Saving the Future: How Social Partnership Shaped Ireland’s Economic Success*, Dublin: Blackhall Publishing, 2007, p. 33.

⁴⁶ See Stephen Collins, *The Haughey File*, Dublin: O’Brien Press, 1992, p. 86. and pp. 95-6.

⁴⁷ National Economic and Social Council Document, *A Strategy for Development, 1986-1990*, Dublin: NESC, 1986.

⁴⁸ See Stephen Collins, *The Haughey File*, Dublin: O’Brien Press, 1992, pp. 128-30.

⁴⁹ Ray MacSharry and Padraic White, *The Making of the Celtic Tiger: Inside Ireland’s Boom Economy*, Cork: Mercier Press, 2000, p. 126.

⁵⁰ *Industrial Relations News*, 22 and 29 October 1987.

⁵¹ Interview by Tim Hastings of Dan McAuley, former Director General of the Federated Union of Employers, 9 August 2006. (I am indebted to Dr. Tim Hastings for making available transcripts of a series of interviews he conducted with leading figures involved in the development of social partnership. All subsequent references to interviews conducted by Dr. Tim Hastings refer to these.)

While Haughey's leadership in brokering the PNR was undoubtedly significant, it bears emphasis as well that the economic policies that underpinned the Programme were not his policies, nor those of his erstwhile economic advisors. The policies enshrined in the PNR had been jointly developed by union and employer leaders and civil servants on the National Economic and Social Council. These policies prioritised reducing public debt; disavowed the "fiscal activism" that had underpinned the ill-fated Lynch-O'Donoghue experiment, stressed the importance of a non-accommodating exchange rate policy and emphasised the need to maintain competitiveness.⁵²

More than vision, philosophical coherence and consistency or perspicacity, realpolitik dominated Haughey's role in the genesis of social partnership. The crisis in public expenditure could no longer be ignored – consensus on the issue leading Fine Gael to support government policy in the "Tallaght Strategy".⁵³

If vision or perspicacity played a role in the genesis of social partnership, we must look elsewhere for the real visionaries. Perhaps these were the figures who had hammered out the 1986 NESC strategy. A case could also be made for a small group of union leaders, such as Peter Cassells, Billy Attley and Phil Flynn, who had staged something of a "palace coup" within the ICTU to win support for a return to centralised tripartite bargaining. The employers had made it clear that their choice between a centralised deal and the continuation of company-level bargaining essentially came down to the terms of the pay deal on offer. The PNR was effectively a deal reached between government and a group of union leaders who had become fearful of unions' growing marginalisation in the face of the new electoral strength of neo-liberalism, represented in Ireland by the rise of the Progressive Democrats (PDs).⁵⁴

IV SPRING AND BRUTON: ENGAGING CIVIL SOCIETY

The PNR provided the basic paradigm for subsequent social partnership programmes. That paradigm involved a common analysis of Ireland's economic challenges; moderate nominal pay rises tied to reductions in personal taxation; government pledges across a range of economic and social

⁵² National Economic and Social Council Document, *A Strategy for Development, 1986-1990*, Dublin: NESC, 1986, p. 155 and Ch. 12.

⁵³ Stephen Collins, *The Haughey File*, Dublin: O'Brien Press, 1992, Ch. 11 and *Breaking the Mould: How the PDs Changed Irish Politics*, Dublin: Gill and Macmillan, 2005, pp. 81-2.

⁵⁴ Tim Hastings, Brian Sheehan and Pdraig Yeates, *Saving the Future: How Social Partnership Shaped Ireland's Economic Success*, Dublin: Blackhall Publishing, 2007, pp. 8-13.

policies and a non-accommodating exchange rate policy, leading eventually to membership of the single currency.⁵⁵

That paradigm was extended in a significant way in the mid-1990s by the involvement of civil society groups in social partnership at the instigation of Labour's Dick Spring and Fine Gael's John Bruton. Scholars examining the background to the engagement of civil society in social partnership have identified the political elite's search for legitimacy as the main motive during a period when the level of unemployment and the incidence of poverty remained persistently high.⁵⁶ I believe this observation to be sound, but would emphasise also that this influence interacted with a long-running concern with democratic accountability, especially within Fine Gael, and a more recent concern with the exclusionary proclivities of social partnership, more or less shared by both Fine Gael and Labour.

Concern with the democratic accountability of social partnership has been an abiding issue within Fine Gael and has made for considerable ambivalence in the Party's stance on the process. During the 1960s Garret FitzGerald had been critical of what he termed the "vocational-bureaucratic system of government" preferred by Lemass.⁵⁷ Fine Gael's concern with democratic accountability can also be traced to FitzGerald's reluctance to deal directly with trade unions and to engage in national pay bargaining while Taoiseach in the Fine Gael-Labour Coalition during the 1980s. FitzGerald has recorded in his memoirs that his aim as Taoiseach during the 1980s crisis had been to bring down inflation as a prelude to engaging with unions, at a time when he had reason to believe that some at least of their key leaders were reluctant in any event to countenance a national agreement with the Coalition.⁵⁸ Union leaders recall the period differently, some subsequently complaining that FitzGerald and his senior ministers, including John Bruton, had recoiled from the whole idea of such an accord between the state and unions.⁵⁹

There can be little doubt that FitzGerald showed a preference for tackling economic problems in an essentially technocratic manner by seeking advice from the "great and the good", unencumbered by consultation or the search for

⁵⁵ Roche, W.K., 'Social Partnership in Ireland and New Social Pacts', *Industrial Relations*, Vol. 46, No. 3, 2007, pp. 395-425.

⁵⁶ Joe Larragy, 'Origins and Significance of the Community and Voluntary Pillar in Irish Social Partnership', *Economic and Social Review*, Vol. 37, No. 3, 2006, pp. 375-98.

⁵⁷ Quoted in Paul Bew and Henry Patterson, *Sean Lemass and the Making of Modern Ireland 1945-66*, Dublin: Gill and Macmillan 1982, p. 145.

⁵⁸ Garret FitzGerald, *All in a Life: An Autobiography*, Dublin: Gill and Macmillan, 1991, p. 117 and p. 607.

⁵⁹ See Tim Hastings, Brian Sheehan and Padraig Yeates, *Saving the Future: How Social Partnership Shaped Ireland's Economic Success*, Dublin: Blackhall Publishing, 2007, 28.

consensus with interest groups.⁶⁰ John Bruton, as a senior cabinet member in the Fine Gael-Labour Coalition had not demurred from FitzGerald's posture, and possibly more than FitzGerald himself openly valued Fine Gael's liberal legacy, with its emphasis on the primacy of the Dail and the cabinet in formulating and implementing government policy.⁶¹

In the case of the Labour Party, the memoirs of Ruairi Quinn and Fergus Finlay all bitterly recall union leaders' attacks on Labour ministers, during a time when the Labour Party in government had, as they saw it, fought hard to moderate spending cuts and to protect the least advantaged.⁶² The bitterness of senior Labour Party figures at ICTU's apparent unwillingness to countenance a national agreement with the FitzGerald-Spring Coalition, but subsequent enthusiasm for reaching a national accord with Fianna Fail, is hardly less muted.⁶³

The debate in the Dail on the second social partnership programme, *The Programme for Economic and Social Progress* (1991-93), seemed to point to the advent of something approaching all-party consensus, encompassing even the PDs, on the substantive merits of the social partnership model.⁶⁴ Fine Gael and Labour nevertheless harboured a more or less shared concern, which they voiced inside the Dail chamber, about the need for a parliamentary input into the process of reaching deals on social partnership programmes. John Bruton in particular was critical of the fact that the Dail was unable to amend or alter any aspect of agreements reached between government and the social partners.⁶⁵ Bruton had also been critical of the social partnership process for

⁶⁰ FitzGerald established a Committee on Costs and Competitiveness in 1981 to advise on competitively sustainable pay rises. This initiative was followed in 1983 by the establishment of the National Planning Board, charged with providing advice on economic and fiscal policy. The ICTU responded to the Committee on Costs and Competitiveness by claiming that the 'Government was seeking to run the economy by diktat and economic lecture' (quoted in *Industrial Relations News* 30 October 1981), while one commentator described the modus of the National Planning Board as 'a highly centralised and directive approach to economic planning with little participation by the social partners in the formulation of the plan' (quoted in *Industrial Relations News*, 18 January 1984).

⁶¹ In an Interview with Tim Hastings, John Bruton declared himself a 'political successor of James Dillon' [former Fine Gael leader, liberal and exponent of parliamentary democracy] in his view 'that policy should be made in the Dail and not at meetings outside the Dail with people who haven't been directly elected'. Interview by Tim Hastings of John Bruton, 2 March 2007.

⁶² Ruairi Quinn, *Straight left, A Journey in Politics*, Dublin: Hodder Headline Ireland, 2005, pp. 246-7; Fergus Finlay, *Snakes and Ladders*, Dublin: New Island Books, 1998, pp 43-4. See also Barry Desmond, *Finally and in Conclusion: A Political Memoir*, Dublin: New Island Book, 2000, p. 210 and Garret FitzGerald, *All in a Life: An Autobiography*, Dublin: Gill and Macmillan, 1991, p. 607.

⁶³ Ruairi Quinn, *Straight left, A Journey in Politics*, Dublin: Hodder Headline Ireland, 2005, p 246.

⁶⁴ *Dail Debates*, Vol. 405, 20 February 1991.

⁶⁵ *Dail Debates*, Vol. 405, 19 February 1991, Cols. 737-9.

favouring the economically and politically powerful over less powerful groups, particularly the unemployed.⁶⁶ Reflecting its own particular concern about democratic accountability Labour had called for the creation of an Oireachtas Economic and Social Affairs Committee to provide a mechanism for a parliamentary input into the partnership process.⁶⁷

Labour and Fine Gael were subsequently instrumental in extending the social partnership model to incorporate Oireachtas members, as well as civil society groups active in the community and voluntary sectors. As Tanaiste in the Fianna Fail-Labour Coalition of 1992-94, Dick Spring inserted into the parties' programme for government a proposal to create a National Economic and Social Forum (NESF). The new NESF comprised members of the Oireachtas and community and voluntary groups, and was charged with providing advice for government on unemployment and related social policy concerns. Following the creation of the Rainbow Coalition of Fine Gael, Labour and Democratic Left in 1994, John Bruton as Taoiseach appointed representatives from the community and voluntary sector to the NESF – the strategic brain of the social partnership process. He subsequently invited a number of the community and voluntary groups to participate in the talks process that would lead to the *Partnership 2000* agreement in 1997.⁶⁸ Social partnership now had its “social pillar”.

The degree to which the objectives of democratic accountability and what Spring had described as “wider participation in democracy” have been well served by the involvement of public representatives and civil society groups in social partnership remains debatable.⁶⁹ While some commentators have made much of the participation of civil society groups in distinguishing Irish social partnership from other European social pacts, the impact of the institutional changes involved appears on the whole to have been modest. Community and voluntary groups have remained very much subordinate to the main economic interest groups in the workings of the process, while the democratic accountability of the process continues to be a moot point.⁷⁰ The Dail

⁶⁶ *Dail Debates*, Vol. 439, 4 March 1994, Col. 1673.

⁶⁷ *Dail Debates*, Vol. 405, 19 February 1991, Cols. 752-4.

⁶⁸ Joe Larragy, “Origins and Significance of the Community and Voluntary Pillar in Irish Social Partnership”, *Economic and Social Review*, Vol. 37, No. 3, 2006, pp. 375-98.

⁶⁹ Foreword by the Tainiste and Minister for Foreign Affairs, *First Periodic Report on the Work of the Forum*, Dublin: National Economic and Social Forum, 1995, p. iv.

⁷⁰ For the argument that the inclusion of such groups is an important feature distinguishing Irish social partnership from other European cases of new social pacts, see Rory O'Donnell, “Towards Post-Corporatist Concertation in Europe” in Helen Wallace (ed.), *Interlocking Dimensions of European Integration*, London: Palgrave, 2001, pp. 305-21. For empirical studies showing the limited influence of these groups, compared with government, employers and unions, see Joe

“Committee that had been intended to provide oversight of the social partnership process was never created, its function subsumed in what seems a highly diluted form by the NESF. And over the course of the partnership programmes as a whole, direct Oireachtas input, debate and oversight of the programmes has dropped away considerably.

V BERTIE AHERN AND PARTNERSHIP’S “SOCIAL TURN”

More than any other politician since Lemass, Bertie Ahern’s fingerprints are all over social partnership. Not only was he involved in negotiating six of the seven social partnership programmes to date, it was Ahern who did the spadework for Fianna Fail’s formative accord with the unions in the mid-1980s. During this period, Ahern, by his own account, had come to admire Scandinavian economic and industrial relations models, much like Lemass a generation earlier.⁷¹ More than any other modern political leader Ahern has consistently espoused social partnership and has identified himself politically with its successes, and even with its invention. How then are we to assess his specific contribution as a political leader to the development of the social partnership model?

Like Lemass, Ahern was manifestly a gifted mediator and conciliator and, particularly as Taoiseach, was a steady hand on the tiller in steering talks on successive agreements towards successful completion. However to focus mainly on Ahern the mediator and negotiator would be to misrepresent his contribution, particularly as three exceptional civil servants, Padraig O hUiginn, Paddy Teahon and Dermot McCarthy, have been the really pivotal mediators and brokers of successive social partnership agreements since 1987. Nor is it easy to find in Ahern’s involvement in social partnership any compelling evidence of significant initiatives in institution-building or design. The increasingly complex institutional architecture associated with the social partnership system has grown very much in an incremental way – programmes building on earlier programmes by adding new institutions and processes to the evolving edifice.⁷² The entry of civil society groups into the process had not occurred on Bertie Ahern’s watch as Taoiseach, nor at his

⁷⁰ *Continued* – Larragy, ‘Origins and Significance of the Community and Voluntary Pillar in Irish Social Partnership’, *Economic and Social Review*, Vol. 37, No. 3, 2006, pp. 375-98 and Tom Wall, *Understanding Irish Social Partnership: An Assessment of the Competitive Corporatism and Post-Corporatism Perspectives*, unpublished MComm dissertation, Library, University College Dublin, 2004.

⁷¹ Interview of Bertie Ahern by Tim Hastings, n.d.

⁷² See Roche, W.K., “Social Partnership in Ireland and New Social Pacts”, *Industrial Relations*, Vol. 46, No. 3, 2007, pp. 395-425.

instigation. There is little evidence in Ahern's actions of the kind of grand vision or institutional design, or indeed of the pragmatic institutional engineering, that were so prominent in the record and legacy of Sean Lemass.

If we turn from process and institutions to examine the strategic aims and priorities of the social partnership programmes, we find that for much of the period since 1987 these were fashioned by the NESC in response to changing economic challenges. And the evolving NESC priorities and programmes were more or less endorsed by governments and parties of all political hues.

But we encounter one major area or juncture where a decisive act of political leadership by Bertie Ahern was to have a significant impact on the direction and priorities of social partnership and of public policy more generally. In what might be referred to as the "social turn" in social partnership, during 2004-2005, Ahern, like a latter-day Lemass, repositioned Fianna Fail leftwards, with significant consequences for the prioritisation of social policy objectives within the current partnership programme and in other ways.

The background to the "social turn" and its main political spur was the very poor showing of Fianna Fail in the local and European elections in 2004, when the party's vote fell to its lowest level since 1927.⁷³ This was attributed by sections of the party to the rightwards drift in government policy during the two Fianna Fail-PD coalitions holding power since 1997.⁷⁴ In the second of these coalitions Charlie McCreevy, as Minister for Finance and Mary Harney, as Minister for Enterprise Trade and Employment, formed a powerful axis that tilted economic priorities towards the liberal right – if in a somewhat erratic or circuitous way, the liberal duo having to operate under the watchful eyes of Ahern as the political guarantor of social partnership.⁷⁵

Described as "every bit as committed to PD policies as the PDs themselves", McCreevy had provoked rows with the unions over tax policies that often appeared to favour middle and high income earners.⁷⁶ He also stood out from the political herd by stating baldly that he derived his mandate from

⁷³ Michael Gallagher and Michael Marsh, *How Ireland Voted 2007*, London: Palgrave Macmillan, 2008, p. 9.

⁷⁴ In an interview on the RTE news programme, Morning Ireland, Fianna Fail backbench TD, John Mulloy, complained that 'across the State the view has been ... that the PDs in government were instrumental in directing policy. ... The impression had been created that that we had become a centre-right government and we're drifting even further to the right'. Morning Ireland 15 June 2004, <http://www.rte.ie/news/elections2004/audiovideo.html>. See also the views of Fianna Fail backbench TDs reported in Niamh Connolly, 'It's Think-In Time', *The Sunday Business Post*, August 27, 2006.

⁷⁵ On the McCreevy-Harney axis and its effects, see Stephen Collins, *Breaking the Mould: How the PDs Changed Irish Politics*, Dublin: Gill and Macmillan, 2005, pp. 185-6.

⁷⁶ Stephen Collins, *Breaking the Mould: How the PDs Changed Irish Politics*, Dublin: Gill and Macmillan, 2005, p. 190.

the electorate and – by implication – not from NESC strategies or from commitments entered into under social partnership programmes.⁷⁷ McCreevy had further made it clear that his understanding of the objective of “social inclusion” meant catering for people in “greatest need” – a definition that was significantly more restrictive than the rather vague but nonetheless more expansive social priorities inserted into social partnership programmes from the mid 1990s.⁷⁸ McCreevy showed little patience either with what he termed the “poverty industry” and was hostile in particular to the analysis and demands of CORI (The Conference of Religious in Ireland) – the social pillar’s most vocal and articulate advocate.⁷⁹ Harney had stoked controversy over cutbacks in local community employment schemes and over an “employment action plan” that seemed to some to herald the advent of US-style “workfare”.⁸⁰ Though as a senior economics minister, operating within social partnership, she was party to at least a version of “Berlin”, she had famously announced her “spiritual” preference for “Boston” when it came to charting the direction of economic policy.⁸¹

Following Fianna Fail’s poor showing in the 2004 local and European elections, Ahern invited CORI’s Director to address the annual Autumn Fianna Fail “think-in” at Inchydony in Cork.⁸² This symbolic act might have counted for little had it not been followed by a Cabinet reshuffle. Charlie McCreevy, the lightning rod of the Party’s right-wing faction, was replaced as Minister for Finance by Brian Cowen. What one political commentator described as the “purge of the liberals” was completed by Seamus Brennan’s removal from the Department of Transport.⁸³ Brennan had clashed with unions over his plans to liberalise the transport sector, and his decision in 2003 to break up Aer Rianta had thrown talks on the second phase of *Sustaining Progress* into crisis.⁸⁴ Over and above the shock delivered to the

⁷⁷ *Industrial Relations News*, 11 December 1998.

⁷⁸ *Dail Debates*, Vol. 497, 2 December 1998, Cols. 1319-1344.

⁷⁹ See ‘Healy’s Economic Policies are Criticised’ in which McCreevy is reported as describing CORI Director, Fr. Sean Healy, as ‘taking nonsense on the economy’, <http://www.rte.ie/news/2004/0902/economy.html>

⁸⁰ See Joe Larragy, ‘Origins and Significance of the Community and Voluntary Pillar in Irish Social Partnership’, *Economic and Social Review*, Vol. 37, No. 3, 2006, pp. 375-98.

⁸¹ ‘Remarks by Tainiste, Mary Harney at a Meeting of the American Bar Association in the Law Society of Ireland’, 21 July 2000, <http://www.entemp.ie/press/2000/210700.htm>.

⁸² Stephen Collins, ‘If the Whole Exercise Turns Out to be a Damp Squib, the Central Purpose of the Reshuffle will be Lost’ *Sunday Tribune*, 5 September 2004; Pat Leahy, ‘The Thorn in Fianna Fail’s Side’, *Sunday Business Post*, 5 September, 2004

⁸³ On Brennan’s transport policies and removal from the Department of Transport, see Olivia O’Leary, ‘Brennan on the Move’ in *Politicians and Other Animals*, Dublin: O’Brien Press, 2004, pp. 90-92, ‘Olivia O’Leary Remembers the Late Seamus Brennan’, RTE Drivetime podcast, 9 July 2008, http://www.rte.ie/radio1/podcast/podcast_drivetime.xml

⁸⁴ *Industrial Relations News*, 24 June 2004.

Party by the 2004 elections, there seemed to be a growing appreciation of the increasing electoral significance of social issues such as health, education, transport and of the quality of public services and public infrastructure.⁸⁵

It is easy – perhaps too easy – to parody the “Drumcondra socialism” espoused by Ahern during this period.⁸⁶ But the substantive outcomes were significant: a series of budgets that were more redistributive than those introduced by McCreevy; the expansive ten-year social programme contained in the *T2016* social partnership agreement, and the inclusion of a social expenditure programme in the 2007-2013 National Development Plan.⁸⁷

Perhaps it is not surprising that the supreme political strategist and tactician of his generation should have exercised decisive political leadership over the focus and priorities of social partnership above all in response to electoral pressures that pointed to people’s growing concern with the quality of public and social services and with the issue of social cohesion in the most general sense. More than to the persistent lobbying of groups in the social pillar, or than to NESC’s growing emphasis on the economic significance of “social capital”, partnership’s “social turn” can be attributed to Ahern the politician and political strategist.

VI BRIAN COWEN – A MORE INSTRUMENTAL POSTURE?

Following his appointment as Minister of Finance in Ahern’s 2004 government reshuffle, Brian Cowen expressed strong support for the social partnership model.⁸⁸ His budgets spearheaded the social thrust of Fianna

⁸⁵ Michael Gallagher and Michael Marsh, *How Ireland Voted 2007*, London: Palgrave Macmillan, 2008, pp. 110-1; Michelle Miller, ‘Social Inclusion and the Welfare State: Who Cares?’, in Maura Adshead, Peadar Kirby and Michelle Miller eds., *Contesting the State: Lessons from the Irish Case*, Manchester: Manchester University Press, 2008, p. 102.

⁸⁶ See John Cooney, ‘Bertie, the Socialist!’, in *Battleship Bertie*, Blantyre Publications, 2008, p. 40.

⁸⁷ On the change of direction in budgetary policy see Niamh Connolly, ‘It’s Think-In Time’, *The Sunday Business Post*, August 27, 2006; ‘Cowen to Unveil First Budget’ *Breakingnews.ie* <http://www.breakingnews.ie/ireland/kfqlidmhmhid>; *Industrial Relations News*, 24 June, 2004; Garret FitzGerald, ‘Getting to Know the Taoiseach’, *Irish Times*, 15 November, 2008. The social programme contained in the 2006 social partnership agreement is the most comprehensive and ambitious to date. See Department of the Taoiseach, *Towards 2016, Ten-Year Framework Social Partnership Agreement 2006-2016*, Dublin: Government Publications, 2006, pp. 39-73. On the rationale for the inclusion of a social investment programme in the 2007-2013 National Development Plan, see ‘Speech by the Taoiseach, Mr Bertie Ahern T.D. at the Launch of the National Development Plan: 2007-2013’, <http://www.eustructuralfunds.ie/viewdoc.asp?Docid=1905&mn=&nID=&UserLang=EN&CatID=35&StartDate=1+January+2008>; for details of the plan, see National Development Plan, *National Development Plan 2007-2013, Transforming Ireland*, Dublin: Government Publications, 2007, Chs. 9-11.

⁸⁸ *Industrial Relations News*, 28 April, 2005.

Fail's political strategy post-2004. As Taoiseach Brian Cowen worked hard to secure the continuation of *T2016* and praised the September 2008 "transitional agreement" for contributing to confidence and stability. He was also forthright during the difficult negotiations in stating that he did not fear governing without an agreement.

On becoming leader of Fianna Fail and Taoiseach earlier in the year, Cowen invoked the legacy of Lemass, albeit by commending Lemass's espousal of patriotism.⁸⁹ Cowen's political ideology has been described as opaque. In the few available utterances of his political credo, some commentators identified a seeming endorsement of values consistent with the European social market model.⁹⁰ But they also doubted the depth of Cowen's convictions, and particularly his inclination to defend these values in an economic downturn. Subsequent events may well have borne out such scepticism. David Begg has described ICTU's forlorn attempt in talks on the recent pay agreement to win support from the Government and employers for the idea of a "solidarity pact" that would have involved flat rate pay rises and a coherent public spending programme focused on the least advantaged – a concept with deep roots in European social democracy.⁹¹ No such coherence, nor little such focus, has been evident in the Cowen Government's subsequent austerity programme.

Rather than seeing Cowen as a kind of Fianna Fail style instinctive social democrat, I think a stronger case can be made for portraying the centre of gravity of his political ideology, as so far revealed, as closer to the European Christian democratic tradition. In interviews with his recent biographer Cowen has spoken of the relevance of Christian values in a secular world; he has endorsed the importance of community and voluntary effort and has expressed his concern to avoid an overweening state. He has also professed support for equality of opportunity and for the promotion of social cohesion.⁹² The tradition here evident involves a more conservative and residual posture towards social policy and the proper scope of state involvement.⁹³

⁸⁹ *Dail Debates*, Vol. 653, No. 5, 7 May, 2008.

⁹⁰ Fintan O'Toole, "What Does Cowen Believe In?", *Irish Times*, 10 May, 2008.

⁹¹ Saturday View, RTE Radio 1, 1 November, 2008, <http://www.rte.ie/radio1/saturdayview/1230587.html>.

⁹² Jason O'Toole, *Brian Cowen: The Path to Power*, Dublin: Transworld Ireland, 2008, Chs. 8 and 10.

⁹³ On the relationship between Christian Democracy, social policy and corporatism, see K. van Kersbergen, *Social Capitalism: A Study of Christian Democracy and the Welfare State*, London: Routledge, 1995, Chs. 5-8 and Peter Katzenstein, *Small States in World Markets: Industrial Policy in Europe*, Ithaca: Cornell University Press, 1985, pp. 94-104.

Either way, Cowen's political credo appears compatible with the basic preservation of social partnership in bad times as in good. As the financial and economic crisis has deepened during recent weeks, he has several times emphasised the importance of social partnership. But behind this seeming endorsement of social partnership, one detects that Brian Cowen is also posing a question: *can* the social partnership model effectively address and survive new and unprecedented pressures and challenges?

These challenges include the likelihood of further tax rises, demands by employers for greater scope for pay agreements to vary across sectors, and downward pressure on current pay levels. Also in the background is the urgent political issue of public service reform – an area in which the present partnership paradigm has not been notably successful.

In the current context Cowen's posture towards social partnership seems more open and certainly instrumental than was Ahern's, and the social partnership model is clearly less central to his political identity and reputation. Time will tell whether Cowen presides over a redirection and reconfiguration of social partnership in a new and very serious crisis, or over its demise. But whether, in his eyes, significant outcomes, economic, fiscal and political, are achievable in the short- and medium-term will likely decide the matter.

VII POLITICS AND THE TRANSFORMATION OF INDUSTRIAL RELATIONS

It seems appropriate to conclude where we began by recalling the corporatist vision and pragmatism of Sean Lemass. While his own efforts to transform collective bargaining and industrial relations ended mainly in failure, much of what Lemass had envisaged in the Ireland of his time has come to pass during the last two decades.

Primed by the crisis of the 1980s and spurred by the unprecedented economic success of the 1990s, industrial relations in Ireland began to function along similar lines to the small corporatist democracies of Europe. The Irish system of collective bargaining has been transformed to a significant extent in the direction of models pioneered historically by countries like the Netherlands, Switzerland, Austria and the Scandinavian states. Of course the models prevailing in these countries have also changed in recent decades, not least in the dilution of their social and redistributive priorities. And some have indeed collapsed altogether, most notably in the case of Sweden.

Some observers, especially within the "court" of social partnership, have put forward the view that the Irish model is now qualitatively distinct from models developed either historically or recently in other countries. They claim

that Irish social partnership involves a quite new form of politics or new mode of governance in the broadest sense that they label “post-corporatist”.⁹⁴ I have been, and I remain, critical of this view. It seems to me to exaggerate the degree of novelty displayed by the Irish model, either when compared with past or recent experience in other countries.⁹⁵ And the loftier claims of commentators sympathetic to this view fail to pass muster when confronted with empirical evidence on the functioning of national, local and workplace partnership.⁹⁶

But while no qualitatively new form of politics or governance are involved in social partnership, there can be no doubt that politics and political leadership have been pivotal in forging the visions, strategies, opportunism and improvisation that have so profoundly changed industrial relations in Ireland over the past half century.

⁹⁴ For examples of his numerous writings outlining this perspective, see Rory O'Donnell, “The Partnership State: Building the Ship at Sea”, in Maura Adshead, Peadar Kirby and Michelle Miller (eds.), *Contesting the State: Lessons from the Irish Case*, Manchester: Manchester University Press, 2008, pp. 73-99; “Towards Post-Corporatist Concertation in Europe”, in Helen Wallace (ed.), *Interlocking Dimensions of European Integration*, London: Palgrave, 2001, pp. 305-21.

⁹⁵ William K. Roche and Terry Cradden, “Neo-Corporatism and Social Partnership” in Maura Adshead and Helen Miler eds., *Public Administration and Policy in Ireland: Theory and Methods*, London: Routledge 2003; William K. Roche, “Social Partnership in Ireland and New Social Pacts”, *Industrial Relations*, Vol. 46, No. 3, 2007, pp. 395-425.

⁹⁶ See Jimmy Donaghey, “Deliberation, Employment Relations and Social Partnership in the Republic of Ireland”, *Economic and Industrial Democracy*, Vol. 29, No. 1, 2008, pp. 35-63; Joe Larragy and Brendan Bartley, “Transformations in Governance” in Brendan Bartley and Rob Kitchin eds., *Understanding Contemporary Ireland*, London: Pluto Press, 2007; Paul Teague, “Social Partnership and Local Development in Ireland: The Limits of Deliberation”, *British Journal of Industrial Relations*, Vol. 44, No. 3, 2006, pp. 421-43; George Taylor, *Negotiated Governance and Public Policy in Ireland*, Manchester: Manchester University Press, 2005; Tom Wall, *Understanding Irish Social Partnership: An Assessment of the Competitive Corporatism and Post-Corporatism Perspectives*, unpublished MComm dissertation, Library, University College Dublin, 2004.

