

Contesting the State: Lessons from the Irish Case

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The partnership state:
building the ship at sea

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Introduction

Since 1987, Irish economic and social policy has been conducted by a form of negotiated governance. This chapter considers the role of social partnership in the policies, practices and structures of the Irish state. In tracing the role of partnership in the Irish state, all three dimensions of the conceptual map outlined in chapter 1 are relevant:

- state relations with the external environment
- the state as a distinctive political, administrative or legal order
- state relations with civil society.

Indeed, in chapter 1 the editors make clear that in thinking about these three dimensions, the state can be either a dependent or an independent variable, and is probably both (see figure 1.1, p. 000). This chapter confirms that this framework has a definite relevance. Partnership influences these three aspects of the Irish state to some degree; but, given the central role of government, partnership is also strongly shaped by the state.

In considering social partnership we need to look at the content of agreements, the processes through which agreement is reached and the institutions of deliberation, negotiation, implementation and monitoring. There are two other dimensions to partnership that must be borne in mind. The actors in partnership – whether the social partners, the state or others – are both maximising and reflexive. Clearly, most action by either the state or a social partner is political in an obvious sense, and seeks to attain the ends of the organisation. But the actors in partnership are also reflexive. In particular, the nature of partnership and its role in

state governance have at times been a subject of discussion, reflection and action within partnership.

The chapter is entitled 'The partnership state' largely because it fits the structure of this book. I do not consider 'the partnership state' to be a *characterisation* of the Irish state or a 'state form', in the sense in which some political theorists use that term. For a start, I am sceptical of efforts to characterise states in this way. It has echoes of Marxist theory and politics in the inter-war period, when major political and personal commitments hung on determining whether a particular state was a 'socialist state', an 'imperialist state' or a 'fascist state'. Nothing equivalent hangs on our current characterisations and we might indulge ourselves (and mislead ourselves) if we use descriptions in such a categorical way. What we are exploring are *dimensions* of the state and, as Nicola J. Smith puts it, the ebb and flow of tendencies and counter-tendencies, rather than a firm characterisation of the Irish state or shifts between one state form and another (Smith, 2006). I have always understood Ó Riain's account of Ireland's 'networked developmental state' in this way, a view that is confirmed in his discussion, in chapter 8 of this book, of the changing balance between developmental and other aspects of Irish state activity.

Partnership: a summary

The opening and modernisation of the Irish economy in the 1960s included elements of tripartism in Irish public institutions and policy. Representatives of trade unions and business were appointed to many of the public bodies established during those years. The National Industrial Economic Council was created in 1963 and was succeeded in 1973 by the National Economic and Social Council (NESC). NESC contained representatives of employers' associations, trade unions, farmers' organisations and senior civil servants. Its mandate was to seek agreement on issues of economic and social policy and to advise government, through the Taoiseach. Attempts at national pay determination were made in the 1960s, and this approach became dominant in the 1970s, with a series of national wage agreements and 'ational understandings'. Significant economic and social progress was made in those decades. Yet, by the late 1970s, Ireland was experiencing increased economic difficulties – reflecting structural adjustment to free trade, an increased need for social services, a turbulent international economy and recourse to foreign borrowing to fund both capital and current spending. The national approach to pay determination was abandoned in 1980 and during much of the ensuing decade successive governments failed to achieve control of the public finances (Honohan, 1999).

In a context of deep economic, social, political and cultural crisis, the social partners undertook intensive discussion in the NESC and reached an agreed analysis of Ireland's situation and a strategy to escape from the vicious circle of stagnation, unemployment, emigration, rising taxes and debt. The Council's 1986 report, *A Strategy for Development*, formed the basis upon which a new government and the social partners negotiated the Programme for National Recovery (PNR), which ran from 1987 to 1990. This was to be the first of seven partnership agreements, so that Ireland experienced two decades of negotiated economic and social governance (see table 4.1). Following the influence of the NESC's 1996 report and the success of the PNR, the negotiation of each subsequent partnership programme has been preceded by a NESC report – widely referred to as the NESC 'Strategy' – which has set out a shared analysis of economic and social trends and the parameters within which a new programme should be negotiated (NESC, 1990, 1993, 1996, 1999, 2003, 2005b). The NESC Strategy report is the main input into the negotiation of the partnership programmes. These negotiations take place in the Department of the Taoiseach and are chaired by the Secretary General of that department, assisted by officials (including some from other departments).¹

An important feature of Ireland's system of social partnership has been the widening of the organisations involved in the process. In 1993, the government established a new partnership body, the National Economic

Table 4.1 Social partnership agreements and the NESC Strategy reports underpinning them

Partnership programme ^a	NESC Strategy report
<i>Programme for National Recovery</i> (1987–90)	<i>A Strategy for Development</i> (1986)
<i>Programme for Economic and Social Progress</i> (1991–93)	<i>A Strategy for the Nineties: Economic Stability and Structural Change</i> (1990)
<i>Programme for Competitiveness and Work</i> (1994–96)	<i>A Strategy for Competitiveness, Growth and Employment</i> (1993)
<i>Partnership 2000</i> (1997–2000)	<i>Strategy into the 21st Century</i> (1996)
<i>Programme for Prosperity and Fairness</i> (2000–2)	<i>Opportunities, Challenges and Capacities for Choice</i> (1999)
<i>Sustaining Progress</i> (2003–5)	<i>An Investment in Quality: Services, Inclusion and Enterprise</i> (2003)
<i>Towards 2016</i> (2006–16)	<i>NESC Strategy 2006: People, Productivity and Purpose</i> (2005)

^aPublished as, respectively, Government of Ireland (1987, 1991, 1994, 1996, 2000, 2003, 2006).

and Social Forum (NESF), to focus specifically on issues of long-term unemployment and social exclusion. Its membership included the traditional social partners – trade unions, employers' associations and farmers' organisations – and representatives of the community and voluntary sector, as well as members of the Oireachtas. Through the latter half of the 1990s, the membership of the NESC was widened and, by 1997, the community and voluntary sector had full representation on the Council and full social partner status (see below).

A number of other institutional developments are worthy of note. Under the first partnership agreement, government and the partners established a process for quarterly monitoring of the programme, located in the Department of the Taoiseach. This has continued, in various guises, ever since and means that the Taoiseach's department is, to a significant degree, the guardian of the partnership programme and the partnership process. In addition, at various times, government and the partners have created a great number of working groups or committees to analyse and address specific problems. While most of these have a defined life span, some have become institutionalised, such the Housing Forum. While this complex web of bodies will not be described in detail here, they are an important feature of partnership and its relation to the state (O'Donnell and Thomas, 1998, 2002; Adshead, 2006; Hardiman, 2006). In 1997, government created the National Centre for Partnership (NCP) to monitor and promote partnership at enterprise and organisational level and, following a review in 2000, this body was replaced by the National Centre for Partnership and Performance (NCPPI) (O'Donnell and Teague, 2000). In 2004, the government stated its intention to link the three partnership bodies – the NESC, NESF and NCPPI – more closely within a new National Economic and Social Development Office (NESDO) and in 2006 legislation was passed establishing NESDO and its constituent bodies on a statutory footing.

Conceptual background: theories of neo-corporatism

The body of analysis or theory that is most often invoked in thinking about the implications of social partnership for the Irish state is the theory of 'neo-corporatism'. It was developed to explain politics and economic management in a number of European countries, especially the Scandinavian countries and Austria, in the period after the Second World War. The corporatist theory was developed to provide an alternative to pluralism, which dominated accounts of the way US democracy mediated interests. While the academic literature on neo-corporatism is complex, it was fairly widely understood to be a variant of liberal representative democracy in

which interests are organised into a limited number of singular, often compulsory, organisations granted a deliberate representational monopoly by the state and invited into policy formation and implementation in return for an element of discipline over their members (Schmitter, 1974; for a modern review see Molina and Rhodes, 2002).

For a variety of reasons – some of which I will have reason to discuss later – those developing Irish social partnership in the late 1980s and 1990s had to think about how Ireland's emerging system of partnership related to earlier Irish approaches to policy and industrial relations, on the one hand, and the more well known, long-standing, widely discussed Continental neo-corporatist models, on the other. Out of intense reflection on both its strengths and weaknesses, there emerged a particular perspective of social partnership, reflected in the NESC's 1996 *A Strategy for the 21st Century* and the NESF's 1997 *A Framework for Partnership*, and developed somewhat by a number of others (see O'Donnell, 2001a). That interpretation of partnership is, to a significant degree, reflected in (but also enriched by) the studies of partnership that are now being produced by Irish social scientists (see below). But it is strongly disputed in an interesting recent paper by Roche and Cradden, who reject the idea that the task of governing has become more complex and say 'it seems clear that social partnership in Ireland since 1987 can best be understood in terms of the theory of competitive corporatism' (Roche and Cradden, 2003: 87). Below, I summarise the perspective articulated by the NESC and NESF, and affirmed in recent studies of public governance. Towards the end of the chapter, I discuss the critique of this view. This leads me to explain how the ideas formulated by the NESC and NESF, though certainly incomplete, sought to capture the increasing complexity of public governance in Ireland, a complexity that also preoccupies policy actors and analysts across the European Union (EU) and, indeed, in other democratic societies.

Negotiated governance in the face of complex problems

I here summarise a set of propositions that emerged in intense discussion among those seeking to find a system of negotiated governance to address the multiple economic and social problems that Ireland faced in the late 1980s and 1990s, and some of which remain.

- 1 To succeed, Ireland requires a consistent set of policies across three areas – macro-economic, distribution and structural or supply-side policy – and partnership increases the chance of achieving this.

- 2 Partnership constitutes a significant change in Irish policy, politics and interest mediation.
- 3 The 'structures and procedures which sustain national tripartite arrangements were weak in Ireland *when compared with the classical neo-corporatist models*' (O'Donnell, 1993: 74, original emphasis). But, it was argued, comparison with the classical, northern European, neo-corporatist cases may have lost some of its relevance. 'International developments suggest some revision of traditional ideas on both the *conditions for* and the *nature of* neo-corporatism' (O'Donnell, 1998: 16, original emphasis).
- 4 An important feature of partnership was a shared understanding of key economic and social mechanisms. While partnership certainly relies on both bargaining and a degree of solidarity, there is a third dimension: partnership involves the players in a process of deliberation that has the potential to shape and reshape their understanding, identity and preferences. The NESC described the process as 'characterised by a problem-solving approach designed to produce consensus'. One implication is that there are limited preconditions for effective social partnership of that sort.
- 5 The 'government has a unique role in the partnership process'. 'It provides the arena within which the process operates. It shares some of its authority with social partners. In some parts of the wider policy process, it actively supports the formation of interest organisations' (NESC, 1996: 266).

The next four propositions reflect an argument set out in the NESF paper cited above. It said, 'It is critical that the partnership arrangements are in tune with the capabilities of government and administration at various levels' and identified three relevant trends (NESF, 1997: 42):

- 6 The nature and role of social partners is changing. Traditional characteristics of partners in neo-corporatist systems – monopoly representation, a functional role in the economy, centralised structures for representing and disciplining members (Cawson, 1986) – are giving way to new ones, with *information* as the key resource, as well as new forms of public advocacy, such as *analysis*, *dialogue* and *shared understanding*.
- 7 We are also witnessing an historical shift in the role of the centre and national government. The traditional roles – allocating resources, directing the operation of departments and administering complex systems of delivery and scrutiny – are giving way to new ones: policy entrepreneurship, monitoring, facilitating communication and joint action between social interests, and supporting interest group formation.

- 8 The relationship between policy-making, implementation and monitoring is changing, in ways which place monitoring, of a new sort, at the centre of policy development (Dorf and Sabel, 1998).
- 9 The most relevant international comparison might be with the new 'social pacts' that were prevalent, especially in the smaller EU countries, in the 1990s. It was pointed out that a similar account of the elements and process of concertation had independently emerged in work on the 'Dutch miracle' (Visser and Hemerijck, 1997; Visser, 1998; O'Donnell, 2001a), and it was suggested that these systems – which were described variously as 'supply-side corporatism', 'competitive corporatism', 'cooperative problem solving' – might be seen as a form of 'post-corporatist concertation' (O'Donnell, 2001a).

Partnership and the Irish state

Taking a long view, we can see an evolution from the tripartism, evident in the 1960s and 1970s, to partnership after 1987. This is evident in policy content, policy process, institutions and at the level of thinking. Indeed, both the Irish case and social pacts in other European countries suggest that these four are closely related to one another. The period of partnership was characterised by a greater and wider shared understanding of key economic and social mechanisms.

One of the reasons why I am sceptical of attempts to stick a definitive label on the Irish state or partnership – such as the 'competition state', 'competitive corporatism' or, indeed, 'partnership state' – is that there are several dimensions to both the state and social partnership. We need to consider the role of partnership in the three dimensions of the state identified in chapter 1 and summarised above: state relations with the external environment, the state as a political, administrative and legal order, and state relations with civil society. But we also need to consider the three broad types of policy that partnership deals with and aims to make consistent: macro-economic, distributional and structural or supply-side. Together, these define a formidable set of possibilities and, I believe, an exciting and urgent research agenda, summarised in table 4.2. Overarching labels, which are analytically or ideologically appealing, sometimes derive from a focus on one dimension of the state and one domain of policy, but would not apply so well if other aspects were taken into account. This is not to suggest that we must always look at the whole picture. There has been, in fact, a remarkable scarcity of detailed empirical research on particular parts of the Irish state and public policy, compared with, say, work on elections and political culture. This is surprising, given

Table 4.2 Three dimensions of the state and three domains of policy

Policy domain	Dimension of the state		
	State relations with the external environment	State as a political, administrative and legal order	State relations with civil society
Macro-economic			
Distributional			
Supply-side			

the profound changes in policy content, policy process and policy ideas, and the relative constancy of the party system and electoral behaviour. In the absence of more detailed studies, my account of the role of partnership in the three dimensions of the Irish state must remain tentative. In the following discussion, I place 'the state as a distinctive political, administrative and legal order' last, since it is the dimension of the state which seems least influenced by partnership.

State relations with the external environment: the role of partnership in macro-economic adjustment

The social partnership approach, combined with a buoyant international economy, produced the much-needed recovery from the disastrous early and mid-1980s and has underpinned a sustained period of growth since then. This is evident in the strong growth in real gross national product (GNP), manufacturing output, exports, living standards and, most dramatically, employment. Social partnership also facilitated a remarkable transformation in Ireland's public finances (NESC, 1986, 1996; FitzGerald, 2000).

Social partnership aided Ireland's successful participation in the European Monetary System (EMS) after 1979 and transition to European economic and monetary union (EMU) in the late 1990s (O'Donnell and O'Reardon, 1997, 2000). In the earlier period of tripartism, Ireland was part of the sterling zone. This meant that Ireland was very directly affected by the Britain's high inflation, which in turn reflected its highly conflictual system of industrial relations and polarised, volatile, economic policy-making. The decision to join the EMS reflected the belief that a hard currency peg was the best policy instrument for achieving low inflation

in a small and extremely open economy. On joining the EMS, Ireland initially lost competitiveness and Irish interest rates remained well above those in Germany. In analysing this experience, the NESC drew attention to the fact that part of the wage pressure in the early 1980s represented the attempt of workers to recoup tax increases:

This episode illustrates that satisfactory implementation of the decision to join the EMS required not only recognition of the macroeconomic policy conditions, nor only acceptance of the implications for wage increases in the private sector, *but also* consensus on the management of the public finances, especially taxation. (NESC, 1989: 216)

Following the introduction of the PNR in 1987, Irish and German interest rates began to converge, while Irish inflation remained low. Ireland reaped the benefits of lower interest rates, low inflation and improving competitiveness. This situation continued until the currency crisis of September 1992 to February 1993 and the subsequent virtual collapse of the Exchange Rate Mechanism (ERM) in August 1993. After that, the social partners remained committed to a credible, non-accommodating exchange rate policy and eventual transition to the euro. While technical arguments suggested that this was the best exchange rate regime for a country such as Ireland (compared with a crawling peg or free float), the Irish case confirms that technical mechanisms can be effective only where the *political economy* of inflation, incomes and public expenditure is resolved.

The analysis advanced within the partnership process began by noting the small scale and open nature of the Irish economy, the structure of industrial relations, the high levels of taxation and the significant outstanding national debt. It argued that, in such a context, a negotiated consensus – with a non-accommodating exchange rate as the sheet-anchor of macro-economic policy – must include agreement on the evolution of pay, taxation, the public finances, the exchange rate and monetary policy, and the level of publicly provided services and social welfare.

Four arguments underlay this position. The first of these was that internationalisation of the financial markets had rendered active manipulation of the exchange rate of limited value in a small and extremely open economy. Second, this macro-economic argument was underpinned by a new perspective on the regional effects of economic and monetary integration, which emerged from the shared analysis of Ireland's experience, prospects and strategy in the European Community (NESC, 1989). This involved a revision of the view that it is the *monetary* stage of integration which presents weaker regions and countries with the greatest problems and, instead, a focus on the *economic* forces unleashed by free trade and the mobility of labour and capital (O'Donnell, 1994).

Third, the social partnership agreements underpinned the credibility of a non-accommodating exchange rate policy, by enlisting support for it as a long-term policy and ensuring that the 'fixed' exchange rate gave the right signal. As Soskice (1990) noted, depending on the institutional arrangements, a fixed exchange rate can either encourage moderate wage growth (when unions and employers jointly favour a low real exchange rate) or high nominal wage growth (when unions seek higher real wages in the short term). Fourth, if the social partnership agreements underpinned the exchange rate policy, the reverse was also true: adherence to the ERM narrow band guaranteed low inflation to such a degree that unions were willing to enter three-year wage agreements.

Adopting that approach, Ireland made major advances in economic management and economic performance. In particular, consensus on that long-run strategy took the exchange rate, and therefore inflation, outside day-to-day party political competition and industrial relations conflict. This was contrasted with an approach in which short-termism ruled in economic policy, business decisions and wage setting – as seen in Britain from the Second World War to the early 1990s. There it led to short bursts of fast economic growth, followed by deep recessions imposed in order to reduce inflation. Ireland's experiment after 1987, for the first time in its history, partly inoculated it from the unsuccessful combination of macro-economic policy and income determination pursued in Britain up to the early 1990s. Ireland finally escaped the most negative effects of Britain's political business cycle and, in the process, also rejected the neo-liberal approach to social policy and regulation adopted in the Britain between 1979 and 1997. As a result, Ireland preserved a somewhat higher level of social solidarity, which seemed to Irish actors a prerequisite to sustaining redistributive policies and addressing issues of structural change and reform in a non-conflictual way.

State relations with civil society

Clearly, the fiscal correction of 1987 and the subsequent discipline in both budgetary policy and wage setting involved the use of state relations with key civil society organisations to stabilise Ireland's relation to the external economic environment. The account of a transition from tripartism to partnership in economic management and wage setting captures some important aspects of Irish state policy and the changing relation between the state and the social partners. But it leaves too much of the story of partnership out and, in particular, fails to uncover the profound changes in government and governance that were underway, changes that are at least associated with partnership and possibly deeply entwined with it. For

a number of reasons, the period of social partnership involved much wider and deeper changes in the Irish state's relations with civil society.

First, stabilisation of Ireland's fiscal position, monetary regime and cost competitiveness left huge problems still to be addressed – problems which were of acute concern to successive governments, the social partners and other civil society organisations. Prime among these was, of course, the problem of employment and unemployment, and the associated social problems.

Second, as discussed further below, supply-side policies became increasingly important; successful supply-side policies, aimed at social cohesion and competitiveness, 'depend on the high level of social cohesion and cooperation that the state can both call on and develop' (NESC, 1996: 64). Consequently, the changing balance between macro-economic policy and supply-side policy necessarily implied increasing state engagement with civil society organisations.

Third, it is not sufficient to say that to externally oriented macro-economic stabilisation was *added* more internally oriented supply-side policies involving greater engagement between the state and civil society. There was a deeper connection between the two developments. Closing off macro-economic alternatives, and embracing deeper European integration, freed the partners – business, union, community and government – to put their energy into discussion of real issues that affect competitiveness and social cohesion: corporate strategy, technical change, training, working practices, the commercialisation of state-owned enterprises, taxation, public sector reform, local regeneration, welfare reform and active labour market policy. Closing off illusory alternatives forced all to engage in realistic discussion of change. Where macro-economic policy remains unsettled, as in Britain from the 1920s until the early 1990s (and perforce in Ireland from the 1960s until at least 1987), it tends to drown out serious discussion of other issues, since it allows certain interests to evade them by claiming (sometimes with justification) that an alternative macro-economic strategy or regime would solve the problem.

Reflecting these factors, Ireland's initial stabilisation was followed by a series of partnership agreements, numerous sectoral programmes and hundreds of agency projects in which new relations between the state and civil society were evident. The scope of these supply-side initiatives can be seen by examining the text of the three-yearly partnership programmes and the reports to the quarterly monitoring committee that presided over their implementation and evaluation. Further evidence on the extent and nature of state engagement with civil society can be found in the reports of the various sectoral agencies, such as ADM Ltd (now Pobal), that have responsibility for particular policies.

Much of the existing research on state relations with civil society is contained and summarised in the papers in the special edition of the *Economic and Social Review* on social partnership, published in 2006. In her paper in that edition, on the relation between partnership and politics, Hardiman describes the partnership in terms of policy networks:

What is different about social partnership is the multi-dimensional nature of the issues it can cover. But in addition, what is really distinctive about the social partnership networks is the flexible way in which issues can be moved onto or off the agenda, moved up or down in priority, moved into the legislative agenda, or identified as a concern within a longer-term framework of policy development. Social partnership processes provide a flexible vehicle through which unions, employers, and the wider voluntary sector can raise issues of particular concern to them. It also affords government a flexible method of addressing emerging problems, testing possible policy responses, and building support for subsequent legislative measures. (Hardiman, 2006: 347)

Adshead also emphasises the changes in governance associated with social partnership, as reflected in the wide range of actors involved (Adshead and Quin, 2002; Adshead, 2006). She suggests, correctly in my view, that one research task is to 'find ways of collecting evidence about social partnership that can just as easily be deployed in the Irish case as any other and in so doing create evidence about whether the Irish manifestation of social partnership is a new and unique mode of governance or something quite similar to new forms of governance elsewhere' (Adshead, 2006: 338).

Interestingly, there has probably been more research on the role of the community and voluntary sector in partnership than on the role of employers' organisations or trade unions. McCashin *et al.* (2001) examine the role of the NESF in facilitating the involvement of the community and voluntary sector. Larragy (2006) documents the process by which the sector acquired social partner status and describes the community and voluntary 'pillar' (see also CORI, 1999, 2002, 2005). In addition, there is a lively debate on whether community and voluntary organisations have been co-opted, so losing their critical and radical edge (Powell and Geoghegan, 2004; Meade, 2005; Varley and Curtin, 2006).

Lest this argument be misunderstood, it should be stated that social partnership was not the only reason why government and its many agencies became more involved with civil society organisations. Developments in the EU pushed things in the same direction, in three distinct ways. First, the increased EU Structural Funds and the associated Community Support Frameworks had a significant impact on planning and evaluation in Ireland, and this included the 'partnership principle' (Adshead, 2002). Second, the open method of coordination (OMC), adopted formally

and extended at the Lisbon European Council of 2000, clearly required member states to engage civil society organisations (O'Donnell and Moss, 2005). Third, even the harder legal core of European integration – such as directives on health and safety, gender equality, information and consultation, environmental protection and other areas – had some tendency to encourage the Irish government to engage with civil society. This is partly because of the general structure of EU law, in which framework directives have to be fleshed out at national and other levels, and partly because EU laws in these areas had to be married to a traditionally voluntarist industrial relations system, in which the social partners were key actors. Indeed, there was also a United Nations element in the move to formulate national strategies, such as the 1997 National Anti-Poverty Strategy (NAPS), in consultation with civil society organisations.

In an earlier review, I suggested that that we can identify a significant evolution of Irish social partnership (O'Donnell, 2001b). Over the seven programmes since 1987, the emphasis has shifted from macro-economic matters to structural and supply-side policies, and the range of supply-side issues has widened to address key constraints on Irish growth, such as childcare and lifelong learning. This change in the substance or *content* of partnership has involved a parallel change in *method*. While macro-economic strategy can be agreed in high-level negotiation, complex cross-cutting policies – on issues such as social exclusion, training, business development or childcare – cannot be devised and implemented in high-level national deliberation or negotiation. Consequently, to address the growing list of supply-side issues there has been an expanding array of working groups, 'frameworks' and 'forums', involving representatives of the various social partners. In a few areas of policy – such as long-term unemployment, rural and urban regeneration and business development – new institutional arrangements have been created to involve actors on the ground. This dual evolution of partnership is summarised in figure 4.1.

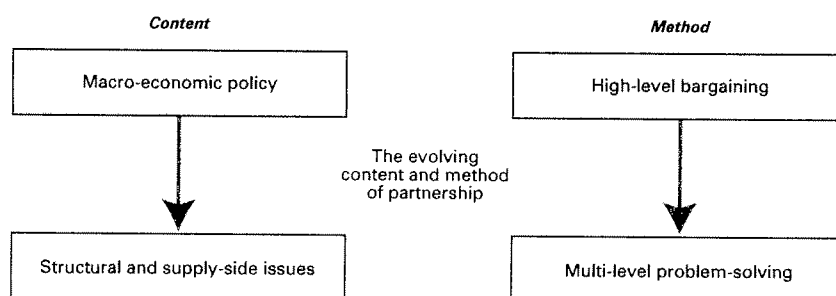


Figure 4.1 The dual evolution of partnership.

This is a deliberately stylised account of the evolution of partnership. Indeed, one of its purposes is to suggest that this dual movement is incomplete. Most participants feel that the success rate in structural and supply-side issues has been lower than in macro-economic issues, and that while they know how to do high-level bargaining, Ireland has not created institutions and processes capable of multi-level problem-solving. Indeed, in most areas, the move to multi-level problem solving is limited, since the working groups are still composed of national officers of the social partners. One of the central arguments of this chapter is that it is the incompleteness of this dual evolution that explains many of the problems experienced by citizens, the anxieties identified and discussed by the social partners at various times over the past 20 years and, indeed, puzzlement about how partnership relates to conventional politics (NESF, 1997; O'Donnell, 2001b; NESC, 2005b).

Partnership and the state as a distinctive political, administrative and legal order

It seems clear that partnership had, and continues to have, a role in the Irish state's adaptation to the external economic environment and that it has been one factor in the emergence of changed relations between the Irish state and civil society. In its changing relation with each of these domains, the state has been both a protagonist and responding to a changing context – in the language of social science, both an independent and a dependent variable. What about partnership and the state as a distinctive political, administrative and legal order?

Whether we view the state as an independent or a dependent variable, we should expect less change in this area. Key aspects of the Irish state – including its core political, administrative and legal order – are defined in a written constitution and statutes, and are supported by international institutions and law. This constitutional and institutional framework naturally, and correctly, changes only slowly and, even then, within definite bounds. Furthermore, these relatively constant features of politics, administration and law are salient in most of the substantive areas that social partnership addresses. For example, the separation of powers, the delegation of political authority from the Oireachtas to government, and from government to various agencies, the legal framework governing the mandate of public bodies, the raising and spending of public money, the appointment and duties of public officials, are all relevant in many of the economic and social areas that social partnership engages with. A partnership approach to tax, pay, employment, local development, public services, training, employment relations, gender issues, health, social

exclusion, housing, educational disadvantage, childcare, care of the elderly, alcohol and drug misuse, innovation and the information society must, in the first instance, work within that constitutional, political, administrative and legal framework.

Some elements of that framework can, of course, be changed if they are seen to constrain measures that would solve problems and, most importantly, if that perception is shared by government, since it is the key gatekeeper of policy, law and administration. Even then, the actual state framework may not change much, or may not change in the way desired. There are many unintended consequences in politics, policy and public institutions. In addition, we know there are cases where 'state' actors – whether ministers, administrative agencies, public employees or voluntary bodies mandated to undertake public functions – do not do things defined in policy and/or law, or do things that they do not have the policy or legal authority to do.

Consequently, in exploring the relation of partnership to the state as a political, administrative and legal order we face a difficult empirical and conceptual task. As noted above, we should expect the element of continuity to greatly outweigh the element of change. There are so many parts to the state order that we need to look in many directions, and it may not be possible to generalise. Partnership may be associated with deep change in one area of policy and administration, say local development, but with limited change in another, such as driving tests! Causation runs in both directions, since the state shapes partnership and partnership may alter aspects of politics, policy, administration and law. Indeed, in tracing effects we need some counterfactual, since the influence of partnership might show up not just in change in the state, but also in the *preservation* of certain policies or institutions, which might have been abandoned in its absence. Finally, it is probably impossible to be entirely objective; those who are satisfied with public policy and economic and social outcomes are likely to judge that partnership has been associated with a significant amount, and a sufficient amount, of change in the political, administrative and legal order and to judge that association positively. Those who are dissatisfied with the outcomes are likely to judge that there has been limited and insufficient change in these aspects of the state order (Adshead, 2006).

Given the underlying stability of the state as a political, administrative and legal order, and the complexity of judgement in this area, I can only make a number of observations here.

It is relatively easy to describe the relation of partnership to the state as a political order, particularly its relation to party political competition. Partnership began under a minority Fianna Fáil government. It might once have been believed that the social partnership model was dependent on

the dominant position of the centre-left, catch-all, political party, Fianna Fáil. However, after 1987, the party composition of Irish government went through rapid change, such that most political parties of any significance – except Sinn Féin – have been in government in various coalitions. The social partnership approach not only survived this, but gained the support of the second largest party, Fine Gael, the Labour Party, the more liberal-leaning Progressive Democrats and the more recently prominent Green Party. Indeed, the evolution of social partnership can be seen as part of a co-evolution in Irish party politics – towards a system of permanent, but frequently renegotiated, coalition. This brought Ireland somewhat nearer to a European system of government and governance, one which does not have the ‘winner takes all’ and ‘oppositional’ characteristics of the British system. Hardiman concludes that ‘Social partnership as a process is now woven into the political system, and its contribution to shaping the policy agenda, while less visible, is widely acknowledged’ (Hardiman, 2006: 370).

In discussing state relations with civil society, I mentioned the role of the EU in prompting deeper and wider mutual engagement. The EU had further profound effects on the Irish state as a political, administrative and legal order. In particular, the EU approach to market regulation required the creation of numerous independent regulatory agencies. Clancy and Murphy (2006) describe this, and the delegation of many non-regulatory functions to agencies, as ‘outsourcing government’ and discuss the important accountability issues it throws up.

Beyond the level of electoral competition, partnership would seem to be one of a number of factors pushing Irish governments to seek consistency between policy areas (McCarthy, 2006). Hardiman also draws attention to this aspect of the relation between partnership and the state:

The overlapping consultative and reporting mechanisms that link OMC with social partnership committees help, as several participants note, to keep a focus on ‘joined-up government’, to maintain a ‘whole-of-government’ perspective on multi-agency problems, and to build consensus on problems, targets, and methods. (Hardiman, 2006: 364)

This is not to claim that it has been easy for government or other actors to achieve a ‘whole of government’ approach, although significant progress has been made in areas such as infrastructure and disability.

Building the ship at sea

In thinking about neo-corporatist arrangements and social pacts in most continental countries, we find extensive evidence of social partners interacting closely with the state to manage public systems jointly, such as

social security, and in later years to promote (or resist) reform. In thinking about politics and policy in those countries, we find some evidence of non-governmental organisations (NGOs) mobilising and campaigning to change state policy, or protest against changes that governments wish to make. To a degree, these patterns are also evident in Ireland.

But there is another aspect of social partnership and the state in Ireland, one which has not been noticed. Reviewing the creation and evolution of social partnership, in all its guises, in Ireland since 1987, there is a real sense that partnership was, in part, about *building a public system*. Thus partnership involved creating systems for making, monitoring and delivering policy in areas where the Irish state was historically both weak and thin: local development, regional planning, training and many areas of social policy, particularly childcare, care of the elderly, health and disability. While public spending as a share of gross domestic product (GDP) has fallen, the real level of spending on social infrastructure and services increased dramatically in the decade 1997–2007. Employment in many areas of social services has increased. New agencies – indeed new sectors, such as childcare – have been built, even if they remain incomplete and inadequate to the increasing needs of society and the economy.

This observation may be helpful for a number of reasons. First, it allows us to relate Ireland to the interesting typology of social pacts presented by Hanké and Rhodes (2005). In particular, it suggests that their tendency to view social partnership arrangements through the lens of the labour/capital relation, though important, may be incomplete in the Irish case. Second, it provides a way of thinking about the many difficulties in partnership, policy and participation experienced along the way (NESF, 1997; O'Donnell, 2001b; NESC 2005b). In particular, it suggests that solutions to these problems require both building the public system and reforming what already existed. Not surprisingly, this sometimes puts trade unions in an ambiguous position, since they simultaneously represent those in need of more adequate and flexible public services and public employees, especially professional staff, who may be wedded to existing practices.

The NESC reports *The Developmental Welfare State* and *NESC Strategy 2006* provide examples of this state-building dimension of Irish policy and partnership (NESC, 2005a, 2005b). In many areas, the task is not to perfect or refine partnership; it is to build systems of social protection and a set of institutions capable of planning, delivering and monitoring outcomes. The social partners see no alternative to being deeply involved in these policy areas, in part because new services and systems are being built and they are not confident that the public system will design and deliver them adequately if the partners adopt a more arms-length or purely adversarial approach. A somewhat similar state-building or state-mobilising role

for civil society organisations is identified by Abers and Keck in their work on Brazil (Abers and Keck, forthcoming).

This is an argument that needs testing with deeper studies of particular sectors and agencies. If there is truth in it, it would seem have some interesting implications for how we think about the participatory dimension of partnership. In particular, it suggests that the idea of 'co-optation' of civil society groups may need to be re-examined.

The partnership state: competitive corporatism or social concertation with new governance?

Although Ireland's particular pattern and pace of development throw up profound challenges for both the state and social partnership, it is of interest to see how the partnership approach relates to social concertation in other European countries, and to ask how the Irish approach may be characterised.

The purpose of the Irish thinking, discussed above, was not to fix on a definitive characterisation or theory of corporatism. It was to make sense of and address a set of urgent practical problems raised by Ireland's emerging system of partnership. One reason to think about how the Irish experiment related to both past Irish practice and international models of neo-corporatism was that the structures of Ireland's trade unions, employers' associations and political parties did not conform to what was then considered necessary for effective political exchange (see above). A second reason was the widening of Irish social partnership, to include not only the traditional partners but also members of a wide range of community and voluntary organisations. Should these social organisations seek to become like trade unions and employers' organisations? What could government and the traditional social partners expect of these NGOs? Radical community and voluntary organisations entering the process, as well as trade unions already involved, were asking whether 'partnership demands of those who participate a deep assent to the nature, direction and justice of the economic and social system' (NESF, 1997: 32). If not, what were the preconditions of partnership? A third reason was that the content of social partnership differed so much from that which characterised the classic cases of neo-corporatism, as discussed above. Rather than settle on any one definition or theory of social partnership or corporatism, those active in the process felt instinctively that the different content of Irish policy and agreements would almost certainly imply different processes, different thinking and different structures (see Molina and Rhodes, 2002: 318).

Nevertheless, it is important that we now ask how Ireland's partnership experience should be understood in the context of European social pacts, neo-corporatism and social concertation. The understanding of partnership summarised above sees it as a significant change in the way in which the Irish state engages with economic and social interests and as closely linked to wider changes in governance, in Ireland and elsewhere. Both these positions are disputed by Roche and Cradden:

International commentary on recent social pacts clearly sees no need to conclude that the task of governing has become more complex in the manner suggested by the proponents of post-corporatism – that is, arising from the 'complexity, volatility and diversity of economic and social problems and of social groups'. Rather, what is seen to shape governments' agendas and modes of engagement with interest groups are acute economic and fiscal problems and the search for competitive advantage in a more globalised international economic order ... it seems clear that social partnership in Ireland since 1987 can best be understood in terms of the theory of competitive corporatism. (Roche and Cradden, 2003: 87)

Irish social partnership certainly shared some of the concerns of what Roche and Cradden, following Rhodes (2001), label 'competitive corporatism'. Government and the social partners in Ireland, like those in other countries adopting social pacts, were concerned with competitiveness, fiscal stabilisation and meeting the Maastricht criteria for membership of EMU. Indeed, the understanding of partnership which Roche and Cradden challenge included the view that Irish partnership should be compared with new social pacts – described sometimes as 'competitive corporatism' (O'Donnell, 1993, 2001a). The question I am primarily concerned with is whether competitive corporatism is an adequate label and, most significantly, whether the 'new governance' dimension of policy and the partnership process outlined above are as irrelevant as Roche and Cradden suggest.

Before addressing that, it is necessary to clarify another issue raised by Roche and Cradden. In rejecting the view of partnership outlined above, particularly any suggestion of 'post-corporatism', they place considerable emphasis on the question of structural preconditions for successful neo-corporatist political exchange. Some of the structural features of, and conditions for, neo-corporatism, identified in the classic literature of the 1970s – such as centralised peak associations and class-based political parties – are no longer considered essential features of tripartite agreements. Hence, Roche and Cradden say 'the literature on neo-corporatism has moved on; a post-corporatist critique should at least keep pace' (Roche and Cradden, 2003: 86). In fact, there is little or no disagreement here.

As noted above, even by 1993 it was recognised that the structures and procedures which were thought to sustain neo-corporatist arrangements in continental Europe did not apply in Ireland and that it was necessary to rethink 'traditional ideas on both the *conditions for* and *nature of* neo-corporatism' (O'Donnell, 1993: 74). But in *discussing* the role (or non-role) of structural conditions, far from not keeping pace, those thinking about Irish social partnership in the early and mid-1990s were in quite good company. In their comprehensive 2003 review, 'Corporatism: the past, present and future of a concept', Molina and Rhodes say: 'Even the founding fathers of corporatist studies mistakenly assumed that if the structures on which corporatism had been based were eroded (i.e. Keynesian policy making and Fordist industrial organisation) then corporatist behaviour and patterns of governance would disappear (e.g. Schmitter and Streeck, 1991)' (Molina and Rhodes, 2002: 306). Furthermore, they emphasise that, on the return to neo-corporatism, in the form of social pacts, after the premature announcement of its death, the corporatist literature 'initially responded with a structural-functionalist interpretation of change' (p. 312).²

Agreement that Irish social partnership shares *some* of the features of 'competitive corporatism' leaves three further issues unresolved:

- 1 Is 'competitive corporatism' an adequate account?
- 2 Have the problems faced by government and the social partners not become more complex and varied, requiring new processes of policy-making and implementation?
- 3 Does the *process* of European social pacts include not just political exchange but also an element of deliberation and problem-solving?

These interesting questions are ones to which we can, I think, provide tentative answers.

While Irish partnership bears definite similarities to what Rhodes (2001, 2003) called 'competitive corporatism', it is not clear that competitive corporatism is sufficiently defined, understood and enduring to warrant the confident conclusion, quoted above, that 'social partnership in Ireland since 1987 can best be understood in terms of the theory of competitive corporatism' (Roche and Cradden, 2003: 87). Although Rhodes coined the term 'competitive corporatism', he does not seem to see it as conceptually or empirically complete. Writing in 2002, he says 'the theoretical analysis of this new wave of corporatism remains underdeveloped – largely because of the problems of application that have long afflicted the concept' (Molina and Rhodes, 2002: 309). Furthermore, Hanké and Rhodes (2005) argue that social pacts, many of which might be characterised as competitive corporatism, disappeared in many EU countries after the 1990s. In their view,

the pacts emerged in response to two, primarily EMU-related, pressures: the requirement to bring inflation and deficits/debt down to the levels stipulated in the Maastricht Treaty. Once these goals were met, countries no longer took recourse to explicit social pacts. The point of relevance here is that the *continuation* of Irish social partnership cannot be adequately explained by reference to economic and fiscal pressures that apply across the EU. Indeed, as noted above, Irish governments and the social partners have continued to devise partnership programmes in the context of extreme economic buoyancy and budget surpluses.

Furthermore, notwithstanding the element of truth in the 'competitive corporatism' view, there are reasons to hesitate before accepting this as a complete definition and explanation of Irish social partnership or, indeed, of social pacts in a number of other European countries. In particular, it is not clear that the social pacts are as relentlessly oriented to international competitiveness as this interpretation may imply. The 'competitive corporatism' view would seem to suggest that these social pacts constitute a 'beggar-thy-neighbour' approach, in which countries create job growth at the expense of labour market performance elsewhere. In their account of two decades of social pacts in the Netherlands, Hemerijck *et al.* (2000) argue that 'the beggar-thy-neighbour argument ... is misguided'. They point out that labour market participation in the Netherlands increased tremendously between 1980 and 2000. 'The Dutch experience suggests that the labour market effects of wage moderation are stronger in domestic services that were heretofore priced out of the regular labour market' (Hemerijck *et al.*, 2000: 275). This argument applies also to Ireland, where job creation outside the traded sector of the economy has been enormous and was a strong focus of policy and partnership. Indeed, as we have noted earlier, and will discuss briefly below, social partnership has addressed many domestic problems which have a limited connection to 'acute economic and fiscal problems and the search for competitive advantage in a more globalised international economic order' (Roche and Cradden, 2003: 87).

Most importantly, there seems reason to doubt Roche and Cradden's central argument that the international literature on recent social pacts 'clearly sees no need to conclude that the task of governing has become more complex'. There are several questions at issue here:

- 1 Does the international commentary on social pacts not include reference to the complexity, diversity and volatility of economic and social problems?
- 2 Is it adequate to describe the European pacts as a response to acute economic and fiscal problems and the search for international competitiveness?

- 3 Even if these claims were accurate, does this mean that *Irish government and social partnership* were not struggling with more complex economic and social problems?

It is certainly true that acute economic and fiscal problems were an important reason for the emergence of social pacts in Europe, including Ireland, in the 1980s and 1990s. It is probably true that these problems figured more prominently, and for longer, in a number of continental countries than in Ireland. By the early 1990s, Ireland's public finances were back in a strong position, competitiveness was restored and the economy was growing fast. In a number of continental countries, including many that agreed social pacts, fiscal stabilisation and economic recovery took longer. Despite this, there is, in my view, significant evidence that governments and stakeholders in many European countries were facing problems that were more complex, more diverse and more volatile, and that, at least in part, this was reflected in both the content and process of social pacts.

In their introduction to *Social Pacts in Europe – New Dynamics*, Pochet and Fajertag note the widening agenda of social concertation, compared with earlier neo-corporatism. Both the Dutch and Irish agreements are cited as examples of a move to 'a more qualitative agenda' – including new issues such as 'non-discrimination/ethnic minorities, stress, exclusion, training etc' (Pochet and Fajertag, 2000: 37). In her overview of the role of the EU in the formation of pacts, Goetschy notes that 'improved awareness of the interconnections between policies and the fairly broad acceptance of this new knowledge by the political and social actors has redefined the content of social pacts' (Goetschy, 2000: 46). In her view, 'the issues involved in social pacts over the past decade were more far-reaching than during the seventies: they often related at one and the same time to policies concerning employment, wages, flexibility of labour, social protection and taxation. But the main difference is that they implied some more fundamental societal choices and changes' (Goetschy, 2000: 47). Negrelli emphasises that 'neo-corporatist systems which arose in the post-war period did so against an economic and social context of stability' (Negrelli, 2000: 89). This stability was undermined by a set of geo-political, economic and organisational changes. The social pacts can be seen as attempts to define 'a new balance between economic flexibility and social solidarity', 'shifting from traditional demand-side approaches to supply-side ones' (Negrelli, 2000: 90).

Describing the Dutch social pacts, Hemerijck *et al.* say that 'the new negotiating economy of the Netherlands seems to be quite capable of anticipating the new regulative questions of the modern service economy' (Hemerijck *et al.*, 2000: 271). This has created a 'multiple-choice model of

employment, and includes participation of employees in flexible pensions plans, (educational and care) leaves, end-of-year bonuses and extra days off. Other new issues addressed are early retirement, employability and the poor labour market chances of ethnic minorities. Indeed, the latter issue has been redefined, to focus on the complex challenge of integrating ethnic minorities into the labour market, seen as 'a key requirement for reversing a vicious spiral of ethnic segmentation' (Hemerijck *et al.*, 2000: 273). They judge that 'over the process of recovery and success, the character of the social dialogue in the Netherlands was transformed.... The character of social pacts has changed from hard bargaining over wages and hours towards more qualitative agreements, containing multiple choices for the needs and preferences of individual workers at the level of firms' (Hemerijck *et al.*, 2000: 276).

Compelling evidence that the tasks facing European governments and social partners were more complex, and that social pacts were part of their attempt to grapple with them, is to be found in an overview of welfare reform across Europe, prepared for the European Council meeting at Hampton Court in late 2005. In that paper, Hemerijck, the Director of the Dutch Scientific Council for Government Policy, identifies a 'shift from "old" to "new" social risks confronting people as a result of the transition from a "male breadwinner" industrial to a "dual earner" post-industrial society' (Hemerijck, 2005: 12):

In the 1980s welfare provisions became more austere, following regime-specific trajectories of retrenchment. Since the mid-1990s, we observe a process of 'contingent convergence' of employment and social policy objectives, the adoption of increasingly similar policy initiatives, encouraged also by the deepening of the EU social policy agenda, signalling a transition from reactive, corrective, compensating, and passive welfare state to a proactive social investment strategy, with much greater attention to prevention, activation and proactive servicing. (Hemerijck, 2005: 22)

He suggests that this has demanded a shift from 'effective demand' management to 'effective supply' policy coordination. These approaches combine 'elements of flexibility and security, facilitating men and especially women to accommodate work and family life, managed by new forms of governance based on subtle combinations of public, private, individual efforts and resources' (Hemerijck, 2005: 22). This is exactly what the NESF had in mind in 1997, and what I referred to as complex problems requiring problem-solving approaches (NESF, 1997; O'Donnell, 2001a). Furthermore, industrial relations scholars might note that, in the view of Hemerijck and others, these complex societal issues arise, to a significant degree, from changes in work organisation.

Finally, we come to the question of whether, reflecting new and changed problems, the *processes* of making and delivering new social pacts in Europe are unchanged. In their commentary on European social pacts, Marginson and Sisson (2004) pay considerable attention to this question. They note that early analysts tended to see things in terms of the previous era of corporatism, in which social pacts essentially involved a form of 'political exchange', much as Pizzorno (1978) had suggested more than two decades earlier. They observe that 'In recent years, a different interpretation has emerged, particularly in Denmark, Ireland and the Netherlands' (Marginson and Sisson, 2004: 128). In explanation of this view, they cite the Irish account of deliberation, problem-solving and the changing roles of government. They note that the European Commission's High Level Group on Industrial Relations 'lent its weight to this perspective' (Marginson and Sisson, 2004: 128–9). Borrowing from the NESF account, the High Level Group described social concertation as engaging the actors in a 'process of deliberation which has the potential to shape and reshape both their identity and preferences'. It continued:

Participants are obliged to explain, give reasons and take responsibility for their decisions and strategies to each other, their rank and file, and to the general public. They must deliberate a wider range of policy issues and take into consideration more alternative policy options. Probably, the most interesting property of concertation lies in the possibility that interest organisations such as trade unions and employers' associations redefine the content of their self-interested strategies in a 'public regarding' way. They must be prepared to assume a wider responsibility that goes far beyond the partial interests that are usually expressed through collective bargaining. (European Commission, 2002: 27)

From this perspective, observe Marginson and Sisson 'social pacts are to be seen as a procedural mechanism, giving rise to agreements of intent rather than transactional agreements with a relatively precise content' (Marginson and Sisson, 2004: 129). In line with the Irish view, this implies that the 'prerequisites would appear to be quite different from those involved in earlier political exchange' (Marginson and Sisson, 2004: 129). It is not so much the 'associational properties' and 'decision making characteristics' associated with earlier periods of corporatism that are important. The state 'must accord the social partners increased responsibility for policy making and implementation through delegation and participation' (Marginson and Sisson, 2004: 129).

Marginson and Sisson agree with Pochet and Fajertag (2000) that the balance between political exchange and deliberative governance probably depends upon the context. In countries where national-level social

concertation is relatively recent and there is a lack of trust between the various social actors, social pacts would seem to approximate to 'political exchange' rather than 'deliberative governance'. In countries where national-level social concertation is long-standing and widespread, such as Denmark and the Netherlands, 'or where there is no other level available for trade unions to exercise a measure of influence, such as Ireland, the "deliberative governance" model may be more appropriate' (Marginson and Sisson, 2004: 130).³

In summary, it seems impossible to find evidence in support of Roche and Cradden's critique of the understanding of Ireland's social partnership developed since the mid-1990s and articulated above. Despite the undoubted, and never disputed, role of bargaining, the Irish social partners and government were grappling with increasingly complex problems that required not only new forms of joint action, but also new arenas for deliberation and problem-solving. Indeed, we have seen that there is strong evidence that, in these respects, Irish social partnership is but one case of a new approach to negotiated public governance that is emerging in many EU countries and at EU level. This approach has had some success in addressing 'new risks' by means of supply-side measures and new bundles of services. But, in both Ireland and elsewhere, these approaches are fragile and incomplete and sit alongside traditional public systems: hierarchical administration, centralised policy-making, adversarial industrial relations and, in varying degrees, clientelistic or ideological politics. These developments – with their successes and limits – seem to me to be the important substantive points about the partnership state; they are critical not only in describing and interpreting what has happened, and failed to happen, but also in considering how partnership may be more effective and, indeed, why partnership may be undermined. By comparison with these issues, debating labels like 'competitive corporatism' and 'post-corporatism' seems somewhat academic.

To the extent that these labels must be discussed, then it is clear that the understanding of partnership defended in this chapter is one that can include the view that the content of Irish policy and partnership was similar to 'competitive corporatism' – especially in the years of fiscal stabilisation and economic recovery. But, for the reasons set out above, if the theory of competitive corporatism is taken to exclude much of the extended policy agenda, wider participation, problem-solving processes and changes in governance in evidence over the twenty years of partnership from 1987 to 2007, then we are forced to step back from the idea of 'competitive corporatism'. If the more inclusive view is accepted, it is, indeed, an interesting conceptual and empirical task to disentangle the relationship between the element of shared understanding, on the one

hand, and the element of strategic interaction, on the other. This is, in fact, one of the questions explored in a comparative project, 'The Emergence and Evolution of Social Pacts', within the 'New Modes of Governance' research programme, based in the European University Institute.⁴

Conclusion: the challenges for government and for partnership overlap

We are at an early stage in our understanding of both the modern Irish state and the ways in which social partnership has influenced it as a political, administrative and legal order. Confronted with continuing urgent economic and social issues, some see government as the problem, while others see partnership as the problem. There are undoubtedly instances where each of these diagnoses is correct. Yet, the experience of the twenty years from 1987 to 2007 suggests that the problems confronting government and the challenges for partnership overlap. The 2005 NESC Strategy report closed with a chapter entitled 'Policy making, implementation and partnership' (NESC, 2005b). It summarised the characteristics, advantages and limits of various forms of negotiated policy-making and authoritative government coordination. This suggested that negotiated policy-making and implementation are likely to continue in Ireland in many spheres, both within government and with various interest groups. Consequently, the quality of policy depends critically on the nature of the outcomes of various negotiations. Will they produce deadlock? Will the outcome be the lowest common denominator agreeable to insiders, with limited care for the public good? or will negotiation involve an open-minded search for better solutions, with a sharing of gains and costs? The answer, the NESC suggested, 'depends, to a very large degree, on the use of government's legitimate authority to embed negotiations in a way that maximises problem solving and a fair sharing of gains' (NESC, 2005b: 294). It warned against discussion that is based on an exaggerated polarity between negotiated approaches and unilateral government decision. 'Rather, we need to consider the options for policy making, implementation and partnership, informed by a fuller understanding of the nature of, and requirements for, effective problem solving'. Reflecting this line of thought, the central argument of this chapter is that the 'partnership state' should be viewed as a practical project, with all the complexity and ambiguity that characterises collective experimentation, rather than as a theoretical entity.

Notes

- 1 The text of the social partnership programmes are available on the Taoiseach website (www.taoiseach.gov.ie). The NESC Strategy reports are available on the NESC website (www.nesc.ie) and are available in hard copy from either NESC, 16 Parnell Square, Dublin 1, or the Government Publications Sales Office.
- 2 They cite, as examples of this, Schmitter (1989), Gobeyn (1993), Crouch (2000), Glyn (2001), Lash and Urry (1987), Regini (1995) and Schmitter and Streeck (1991).
- 3 The fact that new social pacts display new processes is also discussed by Goetchy (2000), Negrelli (2000) and Molina and Rhodes (2002).
- 4 See www.eu-newgov.org.