

TOWARDS POST-CORPORATIST CONCERTATION IN EUROPE?

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INTRODUCTION

In recent years, it has frequently been argued that Europe is witnessing a re-emergence of neo-corporatism, the incorporation of hierarchical interest associations in the policy process. The role of tripartite bargains in the stabilisation of many of the European economies in the 1990s, and in aiding the surprising convergence to the Maastricht criteria, are cited in support of this view. Yet there are reasons to be cautious in describing the emerging systems of policy concertation and interest mediation in Europe as neo-corporatist. One is that the current interest in the return of corporatism may just be the latest twist in a debate which has turned several full circles in recent decades. A second is that this return to neo-corporatism has been led by countries, such as Ireland and the Netherlands, which are not easily classified as neo-corporatist. Indeed, the policy process developed in these countries in the 1990s has been understood, by both the actors and analysts, in terms quite different from neo-corporatism. This paper draws on that understanding to outline some features of what might be called a 'post-corporatist system of concertation.

The next section describes the system of social partnership in place in Ireland since 1987, and notes the re-emergence of policy concertation in many EU member states in the 1990s. The main section of the paper outlines a new interpretation of social partnership, derived from reflection within the policy process in Ireland. This perspective emphasises deliberation and problem solving and involves a new view of the nature of a social partner. It seeks a conception of partnership which is consistent with the changing role of the state and the closer link between policy-making, implementation and monitoring. The paper close with a brief discussion of whether the conception of social partnership which has emerged in the Ireland, and the Netherlands, might also apply to those other EU member states which have relied on concertation in the 1990s.

THE EMERGENCE OF SOCIAL PARTNERSHIP IN IRELAND AND OTHER MEMBER STATES.

Although the Irish economy performed relatively well through most of the 1970s, attempts to maintain growth in the face of international recession involved increased government borrowing the late-1970s and early 1980s. Ireland joined the European Exchange Rate Mechanism on its establishment in 1979, hoping to achieve a switch from British to German inflation rates. The period 1980 to 1987 was one of prolonged recession, falling living standards and a dramatic increase in unemployment. Total employment declined by almost 6 per cent and employment in manufacturing by 25 per cent. The length and depth of this depression reflected Ireland's sharp balance of payments and public finance adjustment, yet coincided with increasing public sector deficits and debt. By 1987, the debt/GNP ratio was approaching 130 per cent and real fears of national insolvency emerged. Fifteen years after joining the EC, Ireland's economic and social strategy was in ruins, and ability to prosper in the international system was in doubt.

In a context of deep despair in Irish society, the social partners, acting in the tripartite National Economic and Social Council (NESC), hammered out an agreed strategy to escape from the vicious circle of real stagnation, rising taxes and exploding debt. The NESC is an advisory body, in which employers, trade unions, farmers and senior civil servants analyse policy issues and seek a consensus. Its *Strategy for Development* (1986) formed the basis upon which a new government and the social partners negotiated the Programme for National Recovery (PNR), to run from 1987 to 1990. This was the first of four agreements which have brought Ireland through more than a decade of negotiated economic and social governance. The negotiation of each social partnership agreement has been preceded by a NESC *Strategy* report, setting out the shared perspective of the social partners on the parameters within which a new programme should be negotiated (NESC, 1990, 1993, 1996).

The social partnership programmes involve agreement between employers, trade unions, farming interests and government on wage levels in both the private and public sectors for a three year period. The first programme enlisted trade union support for a radical correction of the public finances. In return, the government accepted that the value of social welfare payments would be maintained and the tax system reformed. Indeed, the programmes contain agreement on a wide range of economic and social policies—including tax reform, the evolution of welfare payments, trends in health spending, structural adjustment, Ireland's adherence to the narrow band of the ERM and, subsequently, the Maastrich criteria.

While the macroeconomic strategy has been adhered to consistently since 1987, the agreements contain policy initiatives which are worthy of note. Local partnership companies were established—involving the social partners, the community and voluntary sector and state agencies—to explore more co-ordinated, multi-dimensional, approaches to social exclusion. An OECD evaluation of Ireland's local economic development policies considered that the partnership approach constituted an experiment in economic regeneration and participative democracy which is, potentially, of international significance (Sabel, 1996).

An important feature of Irish social partnership has been a concern to widen the partnership process beyond the traditional social partners. A new forum was established and membership of the NESC was gradually widened to include representatives of the community and voluntary sector. Reflecting this, the 1996 programme, Partnership

2000, was negotiated in a new way, involving representatives of the unemployed, women's groups and others addressing social exclusion.

The process of policy innovation includes measures to promote partnership at enterprise level and agreement on action to modernise the public service. New institutional arrangements were created to monitor the implementation of the partnership programmes. While partnership began by addressing a critical central issue, looming insolvency and economic collapse, it has since focused more and more on a range of complex supply-side matters. This is reflected in a dense web of working groups, committees and task-forces, which involve the social partners in the design, implementation and monitoring of public policy.

The social partnership approach produced the much-needed economic and has underpinned an unprecedented period of growth since then. Since 1987, employment has grown by an astonishing 34 per cent, and growth of GDP has been the highest in the EU and among the highest in the OECD. Irish growth is based on a combination of inward investment by leading companies—in computers, software, pharmaceuticals and finance—the resurgence of indigenous manufacturing and the emergence of strong Irish enterprises in services. Social partnership also produced a transformation in Ireland's public finances. low and predictable inflation and successful transition to EMU.

Elsewhere in Europe, there has been a notable reliance on tri-partite concertation in the 1990s. Compston has shown that there was a significant increase in tri-partite policy concertation in Italy, Denmark, Norway, the Netherlands and Germany, and little change in Austria and Switzerland, where concertation has been the norm (Compston, 1998; Regini and Regalia, 1997; Regini, 1998). Only in Sweden has there been a significant retreat from policy concertation involving unions and business. In addition, Finland, Portugal and Spain have made use of concertation in their adjustment to European integration and preparation for monetary union (Pochet and Fajertag, 1997). Indeed, it has been argued that the countries which have been most successful in achieving welfare reform have built a broad consensus for change (Ebbinghaus and Hassel, 1999). These trends raise considerable doubt about the 'decline of corporatism' predicted by some analysts (Gobeyn, 1993; Gerlich, 1992; Lewin, 1994).

Now that the continued, or increased, reliance on policy concertation is recognised, various explanations are being canvassed and explored. These include the idea that the corrosive effect of liberalisation has been overrated (Traxler, 1997), an emphasis on the impact of European market and monetary integration (Rhodes, 1998; Grote and Schmitter, 1999), and a focus on the altered content of concertation (Rhodes, 1998; Traxler, 1997).

How should we interpret the emergence and apparent success of social partnership in Ireland and other member states in the 1990s? It is clearly tempting to see it as a return of 'neo-corporatism' and, as noted at the outset, this is an increasingly influential view. But the Irish case, and perhaps also the Dutch case, suggests that there are several difficulties with this view. First, Ireland displays few of the structural characteristics traditionally seen as

necessary for successful neo-corporatist 'political exchange' (Hardiman, 1988). Second, the substance of Irish policy under partnership differs from post-war European neo-corporatism, (Teague, 1995; Taylor, 1996). Third, the social partnership and government have developed a perspective which goes well beyond the categories used to understand and characterise post-war European neo-corporatismⁱ. It is this self-understanding of social partnership which I draw on, in the following section, to suggest an idea of post-corporatist concertation.

SOCIAL PARTNERSHIP AS POST CORPORATIST CONCERTATION

The development of social partnership in Ireland since 1987 has involved a wide range of economic and political actors in a complex process of negotiation and interaction. Detailed, shared, analysis of economic and social problems and policies has been a key aspect of this process. Indeed, that analysis has, for a variety of reasons, focused on the partnership system itself. To assess the applicability of the partnership approach in the new economic context of EMU, it was necessary to thoroughly assess the effects of the centralised system of wage bargaining and the consensual approach to management of the public finances (NESC, 1996). In order to successfully widen partnership beyond the traditional partners it was necessary to thoroughly analyse the nature, purpose and goals of partnership. That examination revealed some severe difficulties in making an inclusive system of partnership work, but also a new view of social partnershipⁱⁱ. My focus here is on four central arguments that may have a bearing on the way in which the re-emergence of concertation or social partnership in other EU member states should be interpreted.

Beyond Bargaining: Deliberation and Problem Solving

In order to capture the form of concertation that has emerged in Ireland, and possibly in other member states in the past decade, I distinguish initially between two different conceptions, or dimensions, of partnership:

- Functional interdependence, bargaining and deal making.
- Solidarity, inclusiveness and participation.

It is then argued that while effective partnership involves both of these, there is a third dimension which transcends these two:

- Deliberation, interaction, problem solving and shared understanding.

The preconditions for this are less than is sometimes believed. In particular, they do not

include a pre-existing consensus on the nature, direction or justice of the overall economic and social system.

The first dimension/conception of partnership—which emphasises functional interdependence, bargaining and deal making—has always figured in analysis of neo-corporatist political exchange. Its most concrete manifestation is the mutual benefit of a core agreement between business, unions and government. There can be no doubt that this is an important dimension of social partnership. However, for a variety of reasons, this hard-headed view is not adequate, on its own, to describe or understand the process now. The performance of the economy is not functionally independent of problems of exclusion and unemployment. Anyway, a second dimension of partnership is also important.

The second dimension/conception is that which emphasises solidarity, inclusiveness, and participation. This has been an important theme in many of the key policy reports in Ireland and is reflected in the widening of partnership beyond the traditional partners.

The partnership process, and the policy-oriented discussion of it, combines these two dimensions/conceptions, but cannot be based entirely on either. To fall entirely into the first could be to validate the claim that the process simply reflects the power of the traditional social partners, especially if claims for the unemployed and marginalised are not included in the functional inter-dependence, and are seen as purely *moral*. To adopt a naive inclusivist view would risk reducing the process to a purely consultative one, in which all interests and groups merely *voiced* their views and demands. Ironically, this would lead, by a different route, to the same end-point; partnership would ultimately be no different from pluralist lobbying, in which the outcome favours those groups with the most resources.

These two dimensions are both present, but even together they are not adequate. While functional interdependence is wider than many think, its immediacy and visibility is certainly less in some problem areas than in others. The absence of a rock-solid affective basis of social solidarity, suggests that we resist the temptation to see the partnership model as grounded in some organic characteristic of society.

There is a third dimension of partnership, which transcends the two discussed above. Although the concepts of ‘negotiation’ and ‘bargaining’ distinguish social partnership from more liberal and pluralist approaches, in which *consultation* is more prominent, they are not entirely adequate to capture the partnership process. Bargaining describes a process in which each party comes with definite preferences and seeks to maximise their gains. While this is a definite part of social partnership as it has emerged in Ireland and other member states, the overall process (including various policy forums) would seem to involve something more. Partnership involves the players in a process of deliberation which has the potential to shape and reshape both their identity and preferences. This idea, that identity is formed in interaction, rather than existing prior to interaction, is important. It is implicit in the description of the process as ‘dependent on a shared understanding’, and ‘characterised by a problem-solving approach designed to produce consensus’ (NESC, 1996, p. 66). This third dimension has to be added to the hard-headed notion of bargaining, (and to the idea of solidarity), to adequately capture the process.

The key to these features of social partnership would seem to be the adoption of ‘a problem-solving approach’. A remarkable feature of effective partnership experiments is that the partners do not debate their ultimate social visions. This problem-solving approach is a central aspect of the partnership process, and is critical to its effectiveness. This is not to suggest that partners abandon their social vision. Their action in partnership is definitely informed by, and consistent with, the deep commitments which motivate their work in the public sphere. Indeed, the vision and values which attract people to join the voluntarily associations of social partnership are probably more important now than in the past. Recognition of the prevalence of a problem-solving approach, and the limited debate on ultimate social visions, clarifies what has been said in the previous paragraph. Although the process can go beyond bargaining, and can draw the partners into a process of deliberation and action which can reshape their identity and preferences, not everything is at stake for those who participate.

This suggests that rather than being the *pre-condition* for partnership, consensus and shared understanding are more like an *outcome*. This, in turn, means that the shared understanding cannot be a static, once-off, condition. Indeed, the extension of Irish partnership in recent years has involved the community and voluntary groups *coming to share* the prevailing understanding of the macroeconomic constraints, but simultaneously producing and disseminating a *new* understanding of the policy problem which concerns them most, social exclusion and unemployment.

In the right institutional context, skilled actors engage with one another in ways which (temporarily and provisionally) resolve conflicts, which are undecidable in more general debate. They can even initiate practical measures of social solidarity and co-operation, for which no one can provide a compelling foundation. These can, in turn, disclose radically new possibilities of social and economic life. If this is correct, then the key task is discovery of the institutional arrangements which can assist this, rather than extended prior discussion of economic and social systems, democracy, solidarity and community. Furthermore, both Irish and international experience suggest that the discovery of those institutional arrangements is itself an experimental and practical process (Dorf and Sabel, 1999).

It is a remarkable, if not easily understood, fact that deliberation which is problem-solving and practical produces consensus, even where there are underlying conflicts of interest, and even where there was no shared understanding at the outset. It is also a fact that using that approach to produce a consensus in one area, facilitates the same approach in other areas. The key may lie in understanding what kind of consensus is produced when problem-solving deliberation is used. It is generally a provisional consensus to proceed with practical action, as if a certain analytical perspective was correct, while holding open the possibility of a review of goals, means and underlying analysis (see below). This type of agreement certainly involves compromise. But the word compromise is inadequate to describe it. ‘Compromise’ so often fudges the issues which need to be addressed,

A definite characteristic of successful policy reports is argumentation or reason-giving. In these reports, the social partners and others present the society not with a *deal*, however good, but with the *reasons* why a certain perspective or policy initiative has commanded their agreement. It is to the *problem-solving* and the *reason-giving* that we should attribute whatever success these bodies have had. This contrasts with the view which attributes their influence to their apparent focus on *high level* 'strategy' or 'policy-making'.

A similar account of the elements and process of concertation has independently emerged in recent work on the 'Dutch miracle' (Visser and Hemerijck, 1997; Visser, 1998a, 1988b). Visser and Hemerijck draw attention to new combinations of centralisation and decentralisation, and emphasise the combination of interest-group dialogue and expert input which create a common definition of problems. This yielded a 'problem-solving style of joint decision-making', in which participants are 'obliged to explain, give reasons and take responsibility for their decisions and strategies to each other, to their rank and file, and to the general public' (Visser, 1998a, p. 12). The institutions of concertation work where they facilitate shift from a 'bargaining style' to a 'problem-solving style'. Visser considers that 'the most interesting property of social concertation lies in the possibility that interest groups redefine the content of their self-interested strategies in a "public-regarding" way' (Visser, 1998a, p.13).

A New View of what a Social Partner is Now.

The second element of the perspective on partnership which has emerged in Ireland, is a new view of the nature and role of the social partners themselves. Trade unions, business associations and community groups tend to see themselves as different, each emphasising the severity of the difficulties they face. Yet extended and robust discussion between them revealed that they all confront the problem of linking national representation to local action and turning participation in national concertation into tangible results. From this there emerged a new definition, or description, of a social partner, emphasising process rather than structure, and information rather than force.

In international studies of neo-corporatist systems, there is a clear idea of what a social partner is (Schmitter, 1979; Cawson, 1986). This traditional idea is summarised in the left-hand box of Table 1. A key idea is that to be capable of negotiating and delivering, an organisation must have 'social closure' or monopoly of representation of a given social group. This monopoly gave them an authorised jurisdiction or charter. A second element was the emphasis on their *functional* roles in the economy. Indeed, many went so far as to say that only *producer* groups

were capable of being social partners. The key activity undertaken by organisations with these characteristics was *bargaining*, with each other and with government. In many respects, the logic of that bargaining is summed up in the next characteristic listed in the left-hand box: state intervention in the economy. It was because the state intervened extensively in the economy that it found itself deeply engaged with unions and employers' associations. Finally, each of the organisations which participated were *hierarchically* organised and *concentrated*. This gave them a clear 'peak organisation', which was capable of both representing and disciplining a large number of individuals and sub-organisations.

Table 1
Traditional and New Ideas of a Social Partner

Traditional idea of a Social Partner	New characteristics of a Social Partner
<ul style="list-style-type: none"> • Monopoly/authorised jurisdiction • function (economic or regulatory) • producer groups • bargaining • state intervention in the economy • hierarchy 	<ul style="list-style-type: none"> • continuous mobilisation • co-ordination of functions • actors in civil society • information as key resource • new forms of public advocacy <ul style="list-style-type: none"> - analysis - dialogue - shared understanding • actor, not just voice

The traditional conception of the nature of a social partner would seem to have lost much of its relevance. An alternative set of characteristics are summarised in the right-hand box of Table 1.

The first is the fact that social partners are continuously mobilising citizens who have problems that need to be dealt with. Organisations cannot take for granted their role as representatives of a given group, with defined and stable economic or occupational roles. They must offer practical achievements and a vision of a better economy and society. Rather than relying on fixed functional roles, their strength is in co-ordination: they assist in defining and co-ordinating functions. Rather than having their base in producer groups, their base is actors in civil society who have to respond to the unintended consequences of policy, economic change or action by other groups.

While the ultimate role of the traditional social partner was bargaining, and achievement depended on the power resources deployed in bargaining, this is no longer an adequate description. Economic change has fragmented these power resources and shifts in popular opinion have made traditional social partners uncertain about how, and whether, they can deploy them. By contrast, *information* is the key resource which a modern social partner brings

to the table. They are needed, precisely because the information is generated within their organisational ambit. They have the links, the capacity, and the contacts with what is really going on in society.

In the place of the old form of bargaining, there are new forms of public advocacy. These are summarised in the left-hand box as *analysis*, *dialogue* and *shared understanding*. It is possible to bargain without discussing, and a lot of traditional bargaining was like that. At the other extreme, it is possible to analyse without putting yourself in the shoes of the actors, and a lot of traditional social and economic science was like that. In between, there is a combination of discussion, analysis and deliberation, which might be called 'negotiated governance'. The new models of social partnership, at their most effective, seem to be moving toward that approach.

The final characteristic is that a new social partner is an actor, not just a voice. Mobilising, organising, delivering and solving problems (with others), seem to be features of effective social partners. Indeed, these might be seen as *conditions* to be an effective social partner. The goals, methods and knowledge of organisations are shaped and reshaped in action. A continuous danger of the partnership approach is the slide to 'talking shops'. Involvement in action, as well as talk, is one prevention against that danger. This feature of a modern social partner is related to a weakening of the traditional distinction between political work, self-help, charity and labour organisation.

The importance of action also reflects the limits of representation. One of the effects of the many changes in the economy and society, is to further qualify the possibility of representation. It underlines the increased role of action, and of organisations that create and co-ordinate action. Furthermore, within that, there is an increased role of *direct* action *by* members, rather than action *for* members, or organisation for the purpose of representation.

Many reasons could be offered to explain why the traditional social partner (described in the left hand box) has become less relevant in many countries, and is giving way to a new social partner (described in the right hand box). These would include the shift from manufacturing to services, technical and organisational change in enterprises, the collapse of unskilled labour, the emergence of new occupational roles and work patterns, new information technology, high unemployment, the emergence of other complex new social problems, the difficulties of large-scale public administration, the development of new social movements and the growth of self-help or empowerment-oriented organisations.

New Roles for the Centre and National Partnership

A further reason why the new examples of concertation should not be seen as a return of neo-corporatism is the changing nature of government and public policy. Across the world, we seem to be witnessing an historical shift in the role of the centre and national government. The complexity, volatility and diversity of economic and social problems, and of social groups, is undermining the capacity of traditional, post-war, legislative and administrative systems.

Parliaments find it difficult to pass laws which can accommodate the variety and unpredictability of situations which need to be addressed. Administrative systems designed for uniform delivery of a predictable range of services, cannot meet the new needs and demands of citizens (Dorf and Sabel, 1999).

It is critical that concertative or partnership arrangements are in tune with the capabilities of government and administration at different levels. This is not easy, since in many countries there is no longer a settled pattern of national, regional, local and sectoral policy-making and institutions. We can, however, paint a provisional picture of the way in which the role of central government is changing. The traditional roles of the centre are summarised in the left-hand box of Table 2. These roles reflect the power, autonomy and effectiveness of central government, as it was understood in most western countries in the post war period. The democratic legitimacy of central government gave it the right ability to allocate public resources, direct the operation of government departments and agencies, and administer complex systems of public delivery and scrutiny. In addition, where corporatist-type systems existed, it had the role of underwriting the monopoly representation exercised by business associations and trade unions.

Table 2
Traditional and New Roles of Central Government

Traditional Central Roles	Arena of Problem solving
<ul style="list-style-type: none"> • allocating • directing • administrating • underwriting monopoly representation 	<ul style="list-style-type: none"> • policy entrepreneurship • monitoring (obliging and supporting) • facilitating deliberation • protecting non-statutory organisations • supporting interest group formation

Changes in the economy and society have undermined the effectiveness of central government in many of these roles. This has drawn attention to the superior effectiveness of regional or local government, and many countries have decentralised significant areas of policy-making and administration. But, for a variety of reasons, central government remains extremely important, and supranational government, such as the EU, is increasing rather than diminishing.

The new roles of central government are summarised, tentatively, in the right-hand box of Table 2. Policy entrepreneurship seems an important characteristic of successful policy at both national and EU level. Governments in European member states and elsewhere, and the European Commission, have in the past decade adopted an experimental approach in many policy areas (Laffan et al, 2000). A definite emerging role of the centre, is the authorisation, co-ordination, protection and financing of experimental approaches.

Monitoring is listed as a role of the centre in the emerging system. Yet, the changes noted above suggest that central government would have difficulty in accumulating, checking and interpreting the masses of information necessary to monitor a wide range of public policies and programmes. The new role of central government is obliging and assisting others in monitoring and benchmarking. We do not mean monitoring in the sense of checking the *implementation* of programmes, the *goals* and *methods* of which are *defined once and for all by central government*. What we have in mind is government's role in setting standards, obliging and assisting monitoring, and in altering both the methods, and sometimes even the goals, of public policy and provision in the light of systematic comparison of successes and failures (Sabel, 1994).

The next new role of the centre listed in the left-hand box, refers to the role of the centre in facilitating communication and joint action between social interests/organisations. Given the difficulty of directing and administering policy, central government is often more effective when it provides an arena for problem-solving by others. This role is clearly related to partnership, and contrasts sharply with traditional policy and administrative approaches. It involves the systematic organisation of deliberation and information-pooling. In identifying the state's role in facilitating deliberation, information pooling and action by other organisations, it is not implied that the state is neutral, or that it comes to issues without an agenda or interests of its own. The state is much more than a referee. Its democratic mandate and resources give it a unique role in the partnership process.

Another emerging role of central government would seem to be protection of non-statutory

organisations. An aspect of the exciting policy change of the past decade has been the move from establishing statutory bodies, with a permanent and guaranteed life, to the use of ad hoc, or task-oriented, bodies. These seem more flexible and innovative, but are also more vulnerable. Consequently, central government has a role in protecting them in their relations with statutory bodies and heavily-resourced state agencies.

Finally, national governments have the legitimacy and resources to support the formation and development of interest groups. Their willingness to do this depends on whether they believe that the inclusiveness and quality of relationships in society is both a good in itself and is productive. In the partnership process, the state sometimes shares some of its authority with social partners; which, of course, involves them in sharing some of its responsibility. In supporting interest groups, it is legitimate for the state to assign certain tasks and favour high standards of openness, democracy, representation *and direct participation*.

National-level concertative or partnership arrangements cannot be effective if they are premised on an outdated view of the power, autonomy and effectiveness of central government. They will not assist in solving problems if they rely on central government to design, direct and administer programmes. Social partnership will not retain its relevance if it relies on the state to underwrite the partners' monopoly of representation of groups of citizens. That legitimacy must be created and recreated in action. A major challenge, discussed at some length among the Irish social partners, is how to refocus partnership arrangements so that they are consistent with the emerging roles of national government. A second challenge is how to redesign public administration itself, so that it is consistent with these emerging roles.

Combining Policy-Making, Implementation and Monitoring.

In addition, it is argued that we need not only to *link* policy-making, implementation and monitoring, but to *rethink* them. When we do that, there may no longer be separate spheres of 'policy-making', 'implementation' and 'monitoring', in the conventional sense.

The final element of a new concept of post-corporatist concertation or partnership, concerns the links between policy-making, implementation and monitoring. The arguments outlined above, and the experience of the past decade, suggest that national-level partnership, which focused on national-level *policy-making*, is unlikely to solve the complex and diverse problems which citizens confront. Agreement on a strategic approach, and even on specific policies, means little if these are not implemented effectively. If they cannot be implemented in accord with a central design, then they have to be implemented with local or sectoral discretion. That means little, if we have no way of telling which versions work and which versions fail. In

many areas of welfare policy, social policy, labour market policy and industrial policy, implementation and monitoring are now the crucial requirements? In Ireland, it is now recognised that this requires the social partnership system to engage more actively with implementation and monitoring. What is required is examination of the practical successes and failures of policy, which is used to revise both the *methods* and *goals* of policy. This poses profound challenges to both public organisations and interest associations.

EUROPEAN INTEGRATION AND CONVERGENCE

I have set out a conception of post-corporatist concertation, based on the experience of the country which have made the most conspicuous, and successful, use of social partnership in the 1990s. Ireland is also a country which has been profoundly and dramatically changed by participation in European integration (O'Donnell, 2000). There is some evidence, in the work of Visser and Hemerijck (1997), that a similar understanding of social partnership has emerged in the Netherlands, which has also been successful in economic correction and social stabilisation.

Further empirical and conceptual work is required to establish whether the ideas apply to the other member states which have used policy concertation in the 1990s. That work needs to compare both the content of concertation and the process of partnership in various countries—to test whether it is closer to traditional post-war neo-corporatism or the post-corporatist model set out above. The new system of concertation differs in important respects from the old: it is based on an open economy, it relies less on demand management to deliver its social benefits, it does not guarantee privileged access to the traditional social partners or underwrite their monopoly to the same degree, it involves a different relation between national and firm-level partnership, it relies on direct participation as well as representation and, most importantly, it is based on deep shared involvement in both deliberation and monitoring. At first glance, the terms used to describe policy concertation across Europe in the 1990s—‘negotiated social pacts’, ‘supply-side corporatism’, ‘competitive corporatism’, ‘co-operative problem solving’, ‘macro-economic regulation’, ‘concertation without political exchange’—suggest a degree of convergence.

While the dominant continental European models—German, French, Scandinavian—are under severe strain, remarkable innovations are emerging in unlikely places and coming from diverse directions. Inside the space of a decade and a half, the EU has created both a new internal market and a new macroeconomic and monetary landscape. It is thus providing the European economy with regulatory and macroeconomic instruments made in, and for, the radically new economic and political environment which is emerging. By means of the EU, the countries of Europe can modernise, modify—and in some cases discard—policies and institutions made for the post-war world. Responding to the demand of internationalisation, small member states, such as the Ireland, Netherlands, Finland and Portugal, seem to be inventing post-corporatist forms of macroeconomic concertation and structural reform which sustain strong economic and employment growth. Under the pressure of integration, Italy is achieving a new combination of strategic policy and microeconomic invention which seems to achieve not only competitive success but also social stabilisation. The peripheral countries, so hungry for integration and

modernisation, are adopting the organisational innovations which were invented in Asia but subsequently underpinned the economic regeneration of the US. Furthermore, wherever these innovations in social and economic organisation are occurring, the European Commission is to be found, as either a catalyst, a partner or a keen observer of the new governance.

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ⁱ Studies of Irish social partnership include: Hardiman, 1988, 1992; Roche, 1997; O'Donnell, 1993; O'Donnell and O'Reardon, 1997; O'Donnell and Thomas, 1998; 2000; Teague, 1995; NESF, 1996; NESF, 1997; O'Connor, 2000.

ⁱⁱ This view of social partnership, upon which the argument of this essay is based, is set out in a report of the National Economic and Social Forum, NESF (1997).