

# ***It Must Have Been Love...But It's Over Now. The Crisis and Collapse of Social Partnership In Ireland***

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## *It Couldn't Happen Here....*

- 'Unlikely' country to engage with a corporatist strategy (Baccaro)
- Lacked the 'institutional preconditions':
  - all-encompassing/hierarchically co-ordinated partner associations (membership of which was often involuntary or quasi-compulsory)
  - privileged (often exclusive) access to decision-makers
  - parity in representation
  - devolved responsibility for policy implementation

# DEFENDING THE SWEDISH MODEL

*SOCIAL DEMOCRATS, TRADE UNIONS, AND  
LABOR MIGRATION POLICY REFORM*

GREGG BUCKEN-KNAPP

**BETWEEN**

**BOSTON**

**AND**

**BERLIN**



## *It's a new dawn, it's a new day*

- 'Deliberative governance' (O' Donnell)
- 'Competitive corporatism' (Rhodes)
- 'Institutional complementarities' (Teague & Donaghey )
- 'Incorporation' (neo-liberal agenda) (Allen)
- 'Anti-democratic' (Ó' Cinnéide)

Agreement	Context of negotiations	Content
<p>1987-1990 PNR</p> <p>1990-1993 PESP</p> <p>1993-1996 PCW</p>	<p>Crisis; Thatcher</p> <p>EMU; jobless growth</p>	<p>Pay moderation-tax reform; industrial peace</p> <p>Welfare reform; supply side policies</p>
<p>1996-2000 P2000</p> <p>2000-2003 PPF</p>	<p>(Beginnings of an) economic boom;</p> <p>Jobs</p>	<p>CVP pillar; workplace p, union 'recognition' rights</p>
<p>2003-2006 SP (*pay renegotiated after 18 months)</p>	<p>Economic slowdown; some job losses</p>	<p>'Special Initiatives' (educational disadvantage, child poverty, housing etc,)</p>
<p>2006-2016 T2016 (initial pay deal runs for 27 months)</p> <p>2008- pay deal (rejected by construction employers)</p> <p>2009- process collapses</p>	<p>Return to economic health(!); concern about compliance with labour standards</p> <p>Emerging economic and banking crisis; public finances in crisis</p>	<p>Longer (10 yr) 'life-cycle' framework; measures to strengthen compliance with labour standards</p>

# *Oops (we did it again).....*

- 2007-???- AAAGGGHHHHH!!!!!!
- 2008- renegotiation of pay deal; 2009/10- process 'officially' collapses as (some) employers/State renege on pay
- Public sector: pay cuts; recruitment freeze; reduction in numbers
- Unemployment surges; growth collapses; banking crisis
- 1987- Crisis; unemployment; Thatcher (UK)= PNR
- 2010- Crisis, unemployment, (at least Thatcher's retired though...) and Croke Park
- So, where did it all go wrong?
  - 1. Actors- State; Employers; Unions
  - 2. Process-Procedures v Outcomes; Public Sector Reform

## *Actors: We Live in a Political World...*

- SP emerged from crisis- National Unity Strategy
- Process driven at Governmental level by Dept of Taoiseach BUT never a fully articulated ideology/strategy?
- Internal battle between Dept of Taoiseach (politics) and Dept of Finance (money)
- Increasing frustration at ‘undemocratic’ nature of the process amongst *government* deputies
- Pragmatism of Irish politics/politicians- the ‘people factor’ (Hastings)
- Departure of key SP ‘champions’





TOGETHER, LET'S TAKE THE NEXT STEPS FORWARD



A Welcome Message  
from An Taoiseach, Bertie Ahern TD

## *Actors: Money, Money, Money*

- State's driving role- bargaining in 'the shadow of representative democracy' (Donaghey)
- NESC 2009- 5 part crisis- banking, fiscal, economic, social and reputational
- When SP no longer politically useful (EMU, wage moderation, industrial peace)-SPs 'privileged access' withdrawn (e.g. construction)

## *Actors: Breaking Up AIN'T Hard To Do*

- End of the 'good employer'? (bargains collectively, abides by procedural agreements, respects state dispute resolution bodies)
- Ireland Inc- a 'union neutral' location (FDI and US Chamber of Commerce Ireland)
- Growing employer *hostility* (*Ryanair 1- Unions 0*); Employer opposition to recognition claims appears to have intensified (incl *victimisation* of activists)
- Fragmentation- challenges to State-backed CB system in construction, retail, hotels etc; rejection of State dispute resolution body recommendations
- SO, over time the number of employers 'outside the tent' increasingly influential- SP 'blamed' for crisis

## *Actors: Walk the (Picket) Line?*

- Unions sought the institutional security of SP BUT failed to secure recognition/bargaining rights OR meaningful workplace partnership
- *IR Acts 2001-2004*- no legal rights to recognition but a right to bargain on specific defined issues
- *Ryanair v Labour Court [2007]*- as a matter of law Ryanair is perfectly entitled not to deal with trade unions...neither could a '*law* be passed compelling it to do so'



## *Actors: Walk the (Picket) Line?*

- Legalisation of Irish IR
- Breakdown of SP sees a generation of union reps/activists without experience of CB OR collective action (peace clauses; centralisation of bargaining)
- Organisational weakness makes recovery more difficult

## *Process: We're Caught in A Trap*

- Distinctive nature of SP- broad range of actors (CVP) and broad sweep of issues (all areas of *social* as well as *economic* governance)
- Dense 'web' of working groups, committees and task forces, which sought to involve the SPs in public policy-making
- BUT over-emphasis on producing *procedural* consensus?
- Closer content analysis of the terms of the Agreements reveals:
- Large proportion of partnership 'commitments' were already stated *Government* policy (coalition agreements) /mandated by EU Law (e.g. PTW Directive; WT Directive)

# *Process: You Can't Always Get What You Want*

- Large proportion were aspirations (the 'apple pie' commitments):
  - 'Central to our efforts to achieve our full economic and social potential will be better use of our resources, human and natural'
  - 'The promotion of positive health...will inform the Government's decision-making in all areas of health care'
- Of the genuinely new, verifiable commitments (pay increases; promises to enact legislation)- mixed results
- E.g. Legislative achievements (e.g. Minimum Wage) vs unfulfilled ambitions (Employment Law Compliance Bill)



## *Process: Making Your Mind Up*

- BUT of these- almost half were promises to undertake a *review* of an issue (e.g. union recognition rights); postponement of *decisions* in favour of *deliberation*
- prolonged and reasoned debate can sometimes simply lead to entrenchment in a party's original position...
- By 2003 many review groups, etc. disbanded (outcomes?); Voice of the CVP marginalised
- Process fatigue...



## *Process: Ch..Ch..Ch..Ch..Changes*

- From 2003 on- increasing focus on *public sector reform*
- OECD (2008)- Ireland ‘significantly advanced along a *New Public Management (NPM)* continuum’ of public sector reform which has explicitly brought the social partners on board to input into the reform process’
- Performance management system - explicit fusion of *public service reform* with the establishment of *workplace* partnership structures
- Performance indicators (metrics) for various sectors (health, education, local authority etc) agreed at national level); Performance Verification Groups (PVGs) set up
- BUT- managerialist emphasis on compliance with *processes* (not outputs and outcome) where workplace partnership was reduced to role of ‘cheerleading’

## *Every Now and Then I Fall Apart*

- Ultimately, public sector reform (“unpaid leave”) brought down the process as *electoral pragmatism* prioritised over consensus and deliberation
- Fall out:
- Unions damaged as industrial action postponed/abandoned
- Union fragmentation (24/7 alliance); Croke Park (and the ‘implementation’ is yet to come...)
- Public v private
- Media onslaught on partnership (public sector unions)

## *Conclusion: Hold Me Now!*

- Irish case of ‘pragmatic partnership’
- State- useful for *legitimisation* (80s cutbacks/pay restraint/EMU and later public sector reform); now less supportive approach to public sector unionisation?
- Employers- unable (unwilling?) to hold ‘*constituency*’ together; emboldened by union weakness
- Unions- fragmentation and decline make them a less ‘useful’ partner (BUT opportunity to renew?)
- The partnership ‘industry’ (working groups, review groups, strategy groups) meant the *process* became the point BUT policy *implementation* remained centralised
- A temporary separation or a bitter divorce....?