It Must Have Been Love…But It’s Over Now. The Crisis and Collapse of Social Partnership In Ireland

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Employment and the Crisis: Work, Migration, Unemployment
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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 and Boston Berlin
‘Deliberative governance’ (O’ Donnell)
‘Competitive corporatism’ (Rhodes)
‘Institutional complementarities’ (Teague & Donaghey)
‘Incorporation’ (neo-liberal agenda) (Allen)
‘Anti-democratic’ (Ó’ Cinnéide)
<table>
<thead>
<tr>
<th>Agreement</th>
<th>Context of negotiations</th>
<th>Content</th>
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<tbody>
<tr>
<td>1987-1990 PNR</td>
<td>Crisis; Thatcher</td>
<td>Pay moderation-tax reform; industrial peace</td>
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<td>1990-1993 PESP</td>
<td>EMU; jobless growth</td>
<td>Welfare reform; supply side policies</td>
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<td>1993-1996 PCW</td>
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<td>1996-2000 P2000</td>
<td>(Beginnings of an) economic boom; Jobs</td>
<td>CVP pillar; workplace p, union ‘recognition’ rights</td>
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<td>2000-2003 PPF</td>
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<td>2003-2006 SP (*pay renegotiated after 18 months)</td>
<td>Economic slowdown; some job losses</td>
<td>‘Special Initiatives’ (educational disadvantage, child poverty, housing etc,)</td>
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<td>2006-2016 T2016 (initial pay deal runs for 27 months)</td>
<td>Return to economic health(!); concern about compliance with labour standards</td>
<td>Longer (10 yr) ‘life-cycle’ framework; measures to strengthen compliance with labour standards</td>
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<td>2008- pay deal (rejected by construction employers)</td>
<td>Emerging economic and banking crisis; public finances in crisis</td>
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<td>2009- process collapses</td>
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Oops (we did it again)……

- 2007-???: AAAGGHHHHH!!!!!!
- 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)
A basket: 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
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’
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)
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)
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 emphasisis 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….?