Chapter 4

The emerging Irish workfare state and its implications for local development

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INTRODUCTION

The changing nature of the relationship between the Irish state and local development under the impact of globalisation is a key theme of this collection. Both Kirby and Jacobson (Chapter 1) and Tierney (Chapter 5) employ the concept of the competition state theory to examine ways in which this relationship is changing. In a similar fashion, this chapter uses competition state theory to examine how Irish social security and labour market policy has changed over the past decade. Section One develops some working hypotheses about how globalisation impacts on social security and local development. The main body of the chapter, Section Two, examines how Irish social security has changed sine 1987 and how such change impacts on local development. Section Three outlines the emerging social security policy agenda as developed in the National Economic and Social Council (NESC) report on the Developmental Welfare State (2005) and the National Economic and Social Forum (NESF) report entitled *Creating an Inclusive Labour Market* (Report No. 33) and highlights potential implications for local development. Section Four asks what can be done to secure more egalitarian outcomes from Irish social security policy.

COMPETITION STATE

In earlier chapters, Kirby and Jacobson, and Tierney describe how the competition state prioritises economic competitiveness over social cohesion and welfare. This does not mean welfare spending is curtailed, rather it is reshaped to serve economic objectives. This reshaping means traditional social policy objectives of poverty reduction and equality now take second place to a commitment to the promotion of competitiveness (Cerny et al 2005: 20). In a competition state, low taxation and wage moderation create pressure on public-sector spending and limit the state's capacity to fund social security more generously. Public goods, related to social justice and redistribution, are increasingly privatised, while their distribution becomes more consumer driven and less based on rights derived from citizenship. Increased women's labour-market participation impacts on the capacity of families to provide welfare and results in greater reliance on market-based provision of both child and elder care. Fiscal pressures cause shifts to more targeted means-tested social protection. Reliance on targeted and ungenerous transfer payments increases the depth of poverty and widens income inequalities. New forms of inequality emerge where those with weak capacity to participate in the labour market suffer most, resulting in the "pauperisation of segments of society" (Cerny et al., 2005: 29). This happens at individual level, but it also leads to widening regional and local inequalities.

The most fundamental competition state shift is from a redistributive welfare system that "decommodifies" citizens or protects them from having to depend on the market for an income, towards a productivist workfare state that "commodifies" citizens by encouraging and/or requiring them to work. The welfare system becomes more active, and is designed to facilitate people into employment. Public investment focuses on enhancing labour supply through learning and training. Rights become conditional and linked to the obligation to participate in the labour market. Supportive carrots and/or punitive sanctions encourage and/or compel labour market participation. Cerny (2005: 18) defines workfare as "new regulations and programmes designed to enable or compel the poor to enter the labour market through a combination of offensive carrots (training, education, employment subsidies) and defensive sticks (reduced and time-limited benefits' Crucially he identifies local capacity as being key to deliver empowering offensive programmes or "good policy" and that 'activation polices are implemented in a multilevel governance structure' that can flexibly respond to local labour market needs Torping and be held accountable by local governance. (1999p18). Finn (2000;44) also emphasises the 'local dimension' in active benefit regimes which are linked to radical changes in bureaucracies and institutions including decentralization and break down of public sector monopolies.

From the theory outlined above it is possible to identify four types of social security reform that we might expect to see emerging in the Irish competition state. These are: regulation, retrenchment, residualisation, and recommodification.[1] The following section outlines each of these and reviews how each applies in the Irish case.

IRISH SOCIAL SECURITY REFORM

As well as describing how Irish social security policy has developed by using the typology of welfare reform introduced above, this section also highlights the local development implications of such reforms. The aim of such a review is not to prove Irish social security reform is consistent with these indicators, rather it is to use these indicators as a framework which might help us understand how Irish social security is changing and how that change might be impacting at a local level and on local development.

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[1] The author developed these indicators drawing on work by Pierson (2001) and Cerny (2005).

Regulation: A regulatory competition state attempts “to steer not row” (Cerny et al., 2005: 17) and avoids direct service delivery . It promotes arms length regulation to lessen its direct delivery role, policy making and implementation are delegated to new actors at national and local levels. Privatisation of provision occurs directly or by organising public service delivery around commercial or market consumer principles. It can be illustrated by examining three trends: regulation, privatisation and new public management.

Regulation: A regulatory state “provides a framework of rules and performance indicators or targets for market actors to follow” (Cerny et al., 2005: 17). This leads to a more fragmented and complex system of governance with more agencies (including local partnerships) involved in policy making and implementation. Over the last two decades the Irish state has made some attempts to divest itself of responsibility for social inclusion. In promoting the social inclusion role of the non-profit private sector the Programme for Economic and Social Progress (PESP, 1990) initiated the first local Area Based Partnerships to which it subsequently delegated employment support functions including the Local Employment Service. A 2000 White Paper, *Supporting Voluntary Activity* sought to define and regulate the relationship between the state and the community and voluntary sector . NESC (2005: 206-7) proposes a further shift in governance by redefining the role of the state as a regulator of rights rather than a provider of services and standards as an enabler of “local activist networks”. One can only speculate about the potential changes that this could involve, but it is likely that arrangements governing payment of income support will change over time and could possibly extend to local based non-statutory organisations. Such regulatory trends are likely to increase as EU procurement processes and the forthcoming EU Services Directive oblige tendering, to private and public bodies, of delivery services previously monopolised by statutory bodies (for example An Post's social security delivery contracts).

Privatisation: The government invitation to the private pension industry to chair the National Pensions Board has co-incided with a private, business-led style of governance promoting the commodification or privatisation of pensions in the Pensions (Amendment) Act 2002 which introduced second-tier private Pension Savings Retirement Accounts. Foreign Direct Investment has also had a direct impact on social protection. International companies structurally impact on work-related social-protection provision through providing private health and pensions packages. This had led to a structural shift where the numbers dependent on the state for social protection has declined to the extent that the NESC (2005) fears Ireland may be reaching the tipping point where the middle classes become independent of an increasingly residualised welfare state. A further but failed example of the state's attempt to divest itself of its traditional social protection role was when attempts to transfer disability protection to employers were blocked by the veto power of employers in both 1988 and 1992. This contrasts with the British experience where the state was able to transfer this function to private business. Irish government appears more vulnerable to veto players blocking policy and less able to divest social protection functions than are other European states.

New public management: The challenge of delivering social security and controlling fraud dominated the state's concern during periods of high unemployment. However, there has been a considerable improvement in the standards of service delivery in part due to the influence of consumerism, choice and new public management discourse evident in the Strategic Management Initiative and the Public Services Management Act (1997). Initiatives like "customer service plans", "customer service targets", "service delivery models" and "expenditure reviews" emphasising value for money have all impacted on local policy implementation and policy development DSFCA 2000a, 2000b. This impacts locally, many local organisations report administrative nightmares and problems with audits and monitoring. At the same time, compared to other countries there is considerable resistance to new public management practices and institutional change in the Irish public service (NESC, 2002). The end result is uneven: while there is strong evidence of the state engaging in a new public management ethos of customer-focused delivery, this has not always transformed staff and claimant experience of social security delivery to the degree that such change transformed practice in the UK (Pollit, 2005).

Retrenchment: The "low tax, low inflation" ethos of the Irish development model dominates fiscal policy and is reinforced in the EU's Growth and Stability Pact. Retrenchment happens when specific social security policies are cut back because of short-term or long-term fiscal pressure. We now examine three types of retrenchment: short-term cost cutting, longer-term cost containment and, finally, cost avoidance.

Cost cutting: Not surprisingly competition state theorists expect low-tax neoliberal economic models to lead to budgetary constraints. It is true that Economic and Monetary Union convergence criteria limiting budget deficits have proved problematic for many European welfare states. In the Irish case, however, while low-tax policy resulted in reductions in corporate, capital gains and income tax rates, given the scale of economic growth over the last decade Ireland did not see a corresponding decrease in revenue and consequently there was less cost cutting than might otherwise have been expected. The exceptional Irish economic success and limited pressures from an ageing population meant that, over this period, Ireland had budget surpluses and the capacity to expand social security rates and coverage so that social assistance payments increased considerably. However, an exception were the considerable cuts in the safety-net Supplementary Welfare

Allowance scheme, which had been expanded in the late 1980s and early 1990s, but was considerably restricted in the last decade. Two sets of social security cuts, the 1992 "Dirty Dozen" and the 2003 "Savage Sixteen" were short-term responses to periods of tight fiscal austerity (the 1992 EMU preparations and the post 9/11 recession in 2002-03). Both sets of cuts happened when inexperienced first time (rural) Ministers were unable to resist strong pressure from Department of Finance officials to cut social security budgets. These cuts are exceptions that prove the rule. Politicians, especially those in proportional representation electoral systems, avoid blame associated with direct social security cuts which, more than any other kind of public spending cuts, are transparent to claimants (Pierson 1998).

Other cuts such as the 1994 child income support reforms which froze the monetary value of means-tested child-dependant allowances, reflect policy restructuring designed to increase work incentives rather than being caused by fiscal pressures.[2] Specific social insurance cuts including the 1994 abolition of pay-related benefit, the taxation of benefits and a tightening of eligibility were also motivated by work-incentive policy.

Cost containment: The Irish story is not one of retrenchment due to immediate fiscal pressures but of "arrested development" where governments abstain from using the fruits of economic growth to expand and improve social protection to the degree that might have been anticipated as a result of economic growth (Alber and Standing, 2000: 99). These less obvious long-term cost-containment policies have had a serious impact on Irish society and on levels of poverty and inequality. Irish social security policy has been dominated by a stubborn commitment to refuse to index social security payments to any form of wage growth. The strength of this policy position is

[2] NESC (2005:52) notes how this reform impacted on the distributional outcome of child income support. The value of child income support for higher-income groups receiving only universal child benefit payments increased by 173% over the 1994-2004 period while low-income families relying on the combined child-dependant allowances and child benefit experienced only a 52% increase over the same period.

reinforced by the degree to which the Department of Finance, with its concern for controlling expenditure, dominates the setting of social security rates. 1998 Proposals in DSFCA (1998)[3] for a pensions adequacy benchmark and in DSFCA (2001)[4] for an adequacy benchmark for the lowest social assistance payments were rejected by an advocacy coalition of the Department of Finance, employers' representatives and the Department of Enterprise, Trade and Employment. This advocacy coalition was motivated by a combination of future cost containment, maintenance of work incentives and maintaining a level of flexibility considered essential to adapt to the global economy. In this way a direct line can be traced between globalisation and social security policy, although it is also true that the Department of Finance has long held the view that social security rates policy should be determined in such a way as to maintain work incentives and has, since independence, taken a strongly conservative stance on public expenditure.

More puzzling is the failure to index-link earned income disregards, such as rent allowance disregards and lone parents income disregards, the real value of which had decreased substantially since they were last increased in 1994, as many local development organisations have highlighted. (Earned income disregards allow claimants disregard a certain amount of earnings from social assistance means tests and are therefore considered an important welfare to work incentive.) As NESF (2006) has pointed out, freezing income disregards makes work incentive policy less effective and is inconsistent with a productivist-focused competition state. This is confirmed in detailed analysis by Loftus (2006). Such deviation might be again explained by a shortsighted Department of Finance dominating annual budget negotiations and more interested in cost cutting. Policy inconsistency in this area might also be explained by the differing emphasis political parties place on the role of

[3] National Irish Pensions Initiative majority recommendation.
[4] PPF Benchmarking and Indexation Working Group 2001 majority recommendation.

supportive income disregards in employment policy and the different values political parties place on the role and function of social security[5].

Cost avoidance: There is evidence of significant "cost avoidance" and resistance to accommodate new social risks through the social security system. The significant increases in the labour-market participation of women happened without substantial social-security restructuring to enable such participation or to respond to emerging social-care needs. Irish social security remains based on a strong male-breadwinner regime with structural barriers to women registering as unemployed or accessing labour market supports. Reliance on market-led responses to childcare (NDP, 2000a) means childcare subsidies, maternity leave and paid parental leave are underdeveloped relative to other countries. Eldercare responses are limited to tax incentives to provide private nursing homes. Failure to individualise social security or to introduce child and eldercare supports is paradoxical in a competition state aiming to increase the labour-force participation of mothers. A neoliberal fixation on low state intervention partially explains those policy choices. However policy inaction is not just about ideology or cost avoidance. Policy paralysis is also due to politicians' fear of introducing reforms in the absence of policy consensus. It has been politically difficult in Ireland to mediate between political advocacy coalitions[6] advocating conflicting policy options. Policy is also limited by the strong veto power of employers who resist parental leave policies. The lack of policy to promote women's economic participation is also due to a deeply rooted ideological ambiguity about mothers' labour market participation in a conservative, patriarchal political culture (McLaughlin, 2001).

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[5] Fianna Fáil's ad hoc use of social security to enhance electoral outcomes (McCashin, 2004) can be contrasted to the Labour Party's commitment to a more planned approach to social security policy development (Murphy 2006).

[6] Montague (2003) describes three key policy coalitions comprised of SIPTU and IBEC lobbying for tax relief, the Open Your Eyes to Child Poverty Initiative lobbying for child benefit increases and a Childcare 2000 campaign lobbying for a parental childcare payment and a "Women in the home" lobby group campaigning against tax relief.

Finally, the state has sought to avoid the potential social security costs of asylum seekers and migrant workers. State policy is to exclude these needs from Irish social security and to leave migrants to the mercy of the market.[7] Asylum seekers are limited to "direct provision" welfare entitlements. The Government responded to EU enlargement with legislation limiting welfare entitlement to "habitual residents". As a result of direct lobbying from international companies, legislation was introduced to exempt certain non-EU migrant workers from social insurance coverage. Here we see evidence of increasingly complex and fragmented governance, with legislation concerning social protection policy and social rights imposed by the Minister for Justice, Equality and Law Reform, spread across a number of different departments with conflicting objectives and where social objectives are subordinated to economic and foreign policy objectives .

Residualisation: Competition state theory predicts new forms of inequality as well as increased gaps between rich and poor. Employment routes out of poverty are prioritised and low welfare rates are maintained to promote work incentives. Those who cannot exercise employment routes out of poverty such as the elderly, people with disabilities and those involved in "caring" duties at home are more vulnerable in "the increasing relative gulf between the rich and poor" (Cerny et al., 2005: 20). Here Irish trends towards the greater use of targeted means tested payments, increased relative poverty, and shifts in the risk of relative poverty are reviewd.

More use of means testing: As NESC (2005: xvi) observes: "Ireland is exceptional within the EU for the high proportion of its social spending which is means tested". Despite employment growth, decreases in unemployment and inward migration of labour, levels of dependency on social welfare among

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[7] The 1999 decision to deny asylum seekers the right to work might be explained by national security concerns taking precedence over those of social and economic policy departments (who support the right of asylum seekers to seek work) and of transnational coalitions seeking to harmonise EU asylum policy.

those of working age remain high[8]. Therefore, Ireland already exhibits this key competition state characteristic of reliance on targeted transfer payments. Such path dependency would be reinforced by the recommendation (in NESC, 2005) that Ireland maintain its hybrid model and its reliance on means-tested payments[9].

Greater Inequality: Irish income support policy has always promoted low replacement rates and a minimal subsistence type of support (O'Connor, 2005: 35,101) and Ireland has always been characterised by significant income inequality. Over the last decade, for reasons of fiscal and work incentive, welfare payments have declined relative to average net earnings and so income distribution inequalities have increased. Those relying primarily on social welfare, particularly those in receipt of social assistance means-tested payments, are most likely to fall below poverty lines linked to average incomes. This pauperisation of segments of society is directly attributable to a conscious policy decision to keep social-welfare payments low. While fewer people were unemployed, the risk of poverty for those remaining unemployed doubled from 23.9 per cent in 1994 to 43.1 per cent in 2001, while for older people the risk increased from 5.3 per cent in 1994 to 49 per cent in 2001 (ESRI, 2003: Table 4.22). The share of income of the bottom 10 per cent of the income distribution declined from 2.28 per cent of total income in 1987[10] to 1.74 per cent in 2003[11]. While the measure of poverty based on consistent deprivation fell, the inequality indicator or relative income poverty, increased to 21.3 per cent (CSO, 2005), the highest relative income poverty in the EU where the average is 15 per cent (Eurostat).

[8] Benefit dependency rose from 12.4% in 1980 to hold constant at 20% for claimants (37% for all adult and child recipients) over 1985-2005.
[9] This recommendation is a significant policy shift from the previous 1986 Commission on Social Welfare consensus recommendation to expand social insurance coverage and over time reduce the use of social assistance payments.
[10] 1987 Household Budget survey
[11] 2003 EU SILC

Shift in who is vulnerable: Table 4.1 shows how those most distant from the labour market (older people, carers, women in the home, lone parents and people with disabilities) become most vulnerable to poverty. Those with disabilities are now most likely to experience poverty while the aged lone parent and caring claimants are increasingly likely to experience relative poverty[12]. Consistent with competition state hypotheses about the "working poor", those in work experienced a 6 per cent increased risk of poverty. NESF (2006) confirms that 14 per cent of those in poverty are now in employment. This has huge implications for the work of local development agencies, whom they target and what services they deliver.

Table 4.1 Percentage of persons below 60% of median income by labour force status

	1994	1997	1998	2000	2001	2003
Employee	3.2	4.7	2.6	6.5	8.1	9.2
Self Employed	16.0	14.4	16.4	17.9	14.3	-
Farmer	18.6	16.7	23.9	24.1	23.0	-
Unemployed	51.4	57.7	58.8	57.1	44.7	42.1
Ill/Disabled	29.5	52.5	54.5	52.2	66.5	54.0
Retired	8.2	13.5	18.4	30.3	36.9	31.0
Home Duties	20.9	32.6	46.8	44.3	46.9	37.0

Source: CSO (2005), *European Survey on Income and Living Conditions*, first results, 2003

Recommodification: The principle of designing social security to preserve work incentives has always informed Irish social security policy. However the 1990s saw a new focus on "performative inclusion" and more active social policy, including the provision of employment-support services (Dukelow, 2004: 16-18) and activation policies including increased use of income disregards and programmes like Back to Work Allowance programmes first

[12] Table 4.1 shows how the risk of relative poverty has shifted from the unemployed (down by 9%) to the ill/disabled (up 24%), the retired (up 23 per cent) and women on home duties (up 16%).

piloted in the area based partnerships in 1992 (McCashin, 2004: 211). This section seeks to establish the particular style and scale of Irish recommodification. It reviews three key trends: spending on active measures, changes in "conditionality" and the extension of activation beyond unemployed claimants,

Active labour-market programmes: Significant active labour-market expenditure is a long-standing feature of the Irish welfare state[13]. NESF (2006, 29) concludes that over €1bn is spent on Irish active labour-market programmes but that these achieve only limited progress in accessing employment for the economically excluded. Despite a consensus that such programmes do not achieve their objectives it has proved difficult to reform them. The range of active labour-market programmes is spread across a number of government Departments and the development of effective active labour-market policy has been hampered by institutional competition between these Departments and by political expediency in responding to local pressures to retain programmes for social policy rather than labour-market reasons (Boyle 2005). Local development institutions have been part of this local political debate and have played their own role in vetoing what may have been necessary reforms. While programmes have become more progression-oriented, the NESF (2006) urged "radical reform", arguing that greater cohesion can be achieved through the coordination and integration role of the County and City Development Boards. This poses a clear challenge for the local development sector.

Conditionality: Many observers, including OECD experts, Martin and Grubb (2002) and Pearson (2003) conclude that, relative to other English speaking regimes or small open economies, compulsion is remarkably absent in the

[13] As a high net recipient of EU Structural funds, Ireland was required to increase spending on active labour market policies as a condition for receipt of these funds.

Irish policy regime[14]. The foci of the NESF (Report No 4, 1994) recommendation for a voluntary Local Employment Service and the 1998 National Employment Action Plan on voluntary systematic engagement have meant that local development agencies have not been party to "punitive" style labour-market interventions. There is no data sharing between social security and labour market institutions. However, Irish policy has always been based on significant supportive *and* punitive policy. The sanctions available under rules that govern those regarded as genuinely seeking work are relatively strong and, with the exception of times of very high unemployment, have been regularly applied. In addition there is a strong control and antifraud culture and rhetoric.[15]

Extension of conditionality beyond unemployed claimants: Ireland still deviates from a strong model of conditionality in its reluctance to extend conditionality to lone parents, the spouses of male claimants and people with disabilities. DSFCA (2000c) explains that such reluctance to extend conditionality is due to the lack of a coherent childcare infrastructure and services for people with disabilities (DSFA 2003). There is also the fear of a political backlash from significant groups of the electorate. The NESC proposal that all social assistance payments enable "a lifetime attachment to the labour force" reflects a significant shift in consensus (NESC, 2005). NESC's analysis also reflects a growing tendency within public sector organisations to identify claimants by reference to their relationship with the labour market – claimants are young, old or of "working age"[16].

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[14] McCashin (2004: 220), Van Oorschot (2002), McLaughlin (2001), Boyle (2005: 59), O Connell and O'Riain (2000: 334) and Daly and Yeates (2003: 94).

[15] The 1987 'Jobsearch' programme was followed by changes in 1992 increasing sanctions for voluntary employment loss or the failure to take up a labour-market programme. The Live Register Management Unit was established in 1996 to seek "a more effective application of conditionality" Dukelow (2004: 22). April 1997 and June 1998 regulations tightened availability and job-seeking guidelines. Appeals Office data shows that, since the 1997 National Employment Action Plan (NEAP), there has been a substantial rise in use of sanctions although this has now eased.

[16] Cousins notes the significance of this new focus on "working age". The language, more developed in UK policy discourse, is highly ideologically motivated implying that those of working age *should* be at work. He notes the approach has important gender implications, placing all working aged claimants including mothers, on an employability continuum.

Conclusion: Irish social security reform has its own distinctive style, pace and discourse and Irish social security is still in the process of becoming a fully-fledged competition state "workfare state" where social security is used as a "tool of commodification" (Holden, 2003) to attach people to the workforce. The slow cautious pace of the Irish social security change agenda means Irish social security policy has not yet adapted enough to the needs of competitiveness (Cousins, 2005: 339) nor fully embraced the concept of a comprehensive welfare work strategy (NESF 2000: 65, Loftus, 2005, NESF 2006). This suggests there is more commodification to come but what shape will it take?

The distinctive Irish mix of "supportive conditionality" and "sensitive activation" is an outcome of how policy was debated in Irish political culture. The local development institutions and the local employment service play a role in ensuring that even though Ireland is a strong exemplar of the competition state, its activation policy is more offensive than defensive. Engaging in the politics of such reform is crucial for those seeking to influence the reform towards more egalitarian outcomes. Local development agencies as political actors have a crucial role to play in shaping future reform agendas.

NESC'S DEVELOPMENTAL WELFARE STATE

What will happen next? Cerny et al (2005: 20) are relatively optimistic that it is possible to innovate creatively within the neoliberal playing field of the competition state. There is room to manoeuvre and reshape the social dimension of politics towards what they describe as "social neoliberalism" where some new compromise is reached ON conflicting economic and social goals. The NESC Developmental Welfare State (2005) represents an attempt to reinvent or reshape the Irish welfare state. NESC (2005: 1) leaves no doubt that "the social dividend of strong economic performance must … take forms that are supportive of the country's ongoing ability to trade advantageously in the world economy", and goes on to proposes an alternative conceptualisation of the welfare state to steer future reforms. "The developmental welfare state" proposes three overlapping domains of welfare state activity: core services, income supports and activist measures.

1. NESC argues that in contemporary Ireland access to core services has "a wholly new resonance; they underpin the social and economic participation of an increasingly diverse population and enhance labour market flexibility and competitiveness" (2005, 155). The provision of such services would require reform of existing services such as education and a hastening of the development of innovative services, for example childcare.

2. Income support measures need to provide adequate subsistence and participation in society whereby payment arrangements for people of working aged are delivered in a more conditional framework and are tailored to support employment or other social activities. For those of working age, payment arrangements should encourage labour-market participation and lifetime attachment to the labour force. Whether such arrangements are supportive or punitive in less clear, but the emphasis leans towards a supportive and offensive workfare model that Cerny might term "social neoliberalism".

3. The third platform of the Developmental Welfare State is comprised of innovative pro-active measures in which non-governmental organisations respond to social needs rather than these being met through core public services. Some of these projects may terminate following success and the solution of a particular issue, other outcomes

> might see embedding the local initiative as a mainstream or core public service (NESC, 2005: 157-8).

This reshaping of the welfare state has potentially huge but unclear implications for local development. Local activist innovative networks are envisaged as a core part of the developmental welfare state. This suggests that local area based partnerships might be reshaped to respond to unmet social needs in a framework where the state regulates rights and standards and where the activist providers are accountable to and monitored by the state. This could take the shape of service-level agreements to regulate the funding relationship between the state and non-statutory service providers. It is difficult to envisage this without devolution and significant local government reform but, as Ó Broin comments in Chapter 8, there is little confidence that this is a political priority. Experience of the role of County and City Development Boards and their relationship with local partnerships has been mixed. The integration of public services and the voluntary and community sector is complex and while the NESC document acknowledges that this will require an enhancement of "network management" expertise for public administrators and increased accountability there is no real evaluation of the practical steps that need to be taken to achieve this. So far, the process which aims to integrate local government and local development has lacked clear vision from all relevant actors of a new form of innovative local governance. McCarthy in Chapter 6 sees political space for partnerships to influence this future shaping and challenges partnerships to innovate about this future.

TOWARDS AN EGALITARIAN FUTURE

The strategically ambivalent and hesitant language in NESC (2005) reflects an ongoing struggle to forge consensus between different advocacy coalitions and signals a likely slow and incremental journey to this reshaped Developmental Welfare State. How this will be done is not obvious. As Cerny et al. remind us, “the field of political choice and innovation is quite broad” (2005: 7). Local development agencies will play a key delivery role through local employment services and the development of innovative activist, education and training programmes to support people participate in a more conditional and active social policy environment.

Competition state theory stresses that even high levels of globalisation bring opportunities as well as threats. It stresses that there is room for manoeuvre. It stresses political agency and the role played by domestic institutions and practices, local, national and international interest groups in determining policy choices (Cerny et al 2005: 7). Cerny identifies a future of “plurilateral” negotiations which aim to “coordinate myriad diverse actions –and to bring wider and more disparate coalitions into potentially tenuous forms of collective action”. Clearly, local area-based partnerships, community development organisations, local employment services, drugs task forces and local government agencies have a pivotal role to play in this emerging “plurilateral and multilateral world”.

NESF (2006) tries to shape this new approach and recommends that a National Strategic Framework would support a Local Partnership Network based on interagency working of statutory and non-statutory local service providers who work through annual Service Delivery Agreements. These would be coordinated at county level but in Dublin there would be a number focusing on main areas of disadvantage. They would operate to help people into work and to stay in work. NESF propose four pilot projects should run in 2006 with full implementation in 2007.

To implement the active social policy concept in NESC’s Developmental Welfare State (2005) and NESF’s Inclusive Labour Market (2006), Irish policy must reconcile ambivalent social policy objectives. “Activation” opens up uncertainty about entitlement, as claims become conditional on compliance with activation obligations. An emancipatory model for labour market activation of social welfare claimants, proportionately balances the dual roles of active social policy with more traditional social protection and social rights. Legal, administrative and monitoring safeguards can counterbalance the power to set behavioural conditions on people's lives by limiting the capacity of agencies to deny key social rights (Van Aershot, 2003). Best practice in this area includes strong accountable local municipalities. This suggests that local government reform and the emerging space in local governance may be able to play a powerful and innovative role in a positive developmental welfare state.

CONCLUSION

Hemerijck (2003) comments how "in many countries a lively debate is taking place on the moral foundations of existing welfare arrangements and on the need to rethink such foundations". The NESC DWS (2005) has been described by one of the authors as an attempt to "reposition or relaunch" (Sweeney 2005) the Irish welfare state. The project is not unlike similar Dutch and Danish attempts to construct debate about welfare reform by reshaping issues, concepts and ideological language in ways that generate political space and momentum in relation to welfare reform (Cox , 2001). In a consensus-dominated political culture, it is difficult to promote qualitative policy debate and so far it has proved impossible to promote lively national debate about welfare reform. To date, the thinking about reinventing social policy and the developmental welfare state has taken place behind closed doors in national social partnership institutions. The challenge is to create a more communicative public debate about the desirability of a more egalitarian model of inclusion. Local development agencies have a key role in shaping this debate and to influence the shape of the future.

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