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## Post-PCW Negotiations - A New Deal?

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# **Post-PCW Negotiations – A New Deal?**

**Forum Opinion No. 4**

**August 1996**





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# **Executive Summary**



# Executive Summary

This Opinion has been prepared in response to an invitation by the Government for the Forum to submit its views on any new national programme that may be negotiated, following the expiry at the end of the year of the present *Programme for Competitiveness and Work* (PCW).

**Section II** contains an overview of economic and social issues of particular concern to the Forum and of the international environment. Both of these combined provide the contextual setting to any future negotiations. Against this background, the following core elements are identified for these negotiations:

- Equality and Social Exclusion;
- Pay and Taxation;
- Tax Reforms and Job Creation;
- Job Creation; and
- Development of Social Partnership.

The key requirements underlying these core elements are those of enterprise, competitiveness, social justice, equality, regional balance and sustainable development. In addition, greater control of public spending and a re-ordering of priorities will be necessary to allow scope for pro-employment tax reforms and more decisive action in tackling our problems of unemployment and social exclusion.

Employment and equality goals are also specified and these provide the benchmark for the detailed negotiations and follow-up on the above core elements. The ultimate objective must be that of full employment. This can be achieved but will require major changes and a greater willingness by all to make sacrifices and share equitably in the costs involved. But the creation of more jobs will not be sufficient in itself and must be complemented by more effective multi-dimensional strategies on an integrated basis at national and local levels.

**Section III** specifies in greater detail unemployment/employment and equality/anti-poverty strategic issues, included in the above core elements, with particular reference to earlier Forum recommendations which have yet to be implemented. The main policy areas involved fall under the following headings:

- Long-term Unemployment;
- Jobs Potential of the Services Sector and of Work Sharing;
- Equality Issues;
- National Anti-Poverty Strategy;
- Social Welfare;
- Potential of the Social Economy;
- Child Care Strategy; and
- Quality Delivery of Social Services.

**Section IV** outlines a number of options to ensure greater participation in any future negotiations by the voluntary and community sector. These range from consultative and participation options through to full status and involvement in **all** elements of the negotiations. The debate has been useful in narrowing down the range of initial options and there is now a clearer understanding of different standpoints. However, both employer and trade union bodies have fundamental objections in principle to having the community and voluntary sector involved in the wage component of the negotiations. The question of having that sector more involved in the discussions on non-pay issues also remains unresolved.

There is unanimity within the Forum that the monitoring and review process for any future programme should be considerably strengthened, broadened in scope and made more inclusive.

Finally, the Forum will be returning to the question of developing the social partnership approach in the Autumn when it reviews its Work Programme for next year.

Section I

**Introduction**



# Introduction

- 1.1 The present Opinion has been prepared in response to the invitation by the Government for the Forum to prepare a report on:
- (i) the elements; and
  - (ii) the consultative process for any new national programme that may be negotiated in the Autumn to replace the current *Programme for Competitiveness and Work* (PCW) which expires at the end of this year.
- 1.2 In parallel to this, the NESC is at present preparing a report on medium-term strategic policy issues as its input to the negotiations and this is expected to be submitted in the near future.
- 1.3 Complementary to the work undertaken by its internal committees, and to ensure as full involvement and participation as possible by the very wide spectrum of interests which it represents, a special Plenary Session of the Forum was held on 25th June last to debate the main policy issues involved and the options and choices which have to be made in this area.
- 1.4 The structure of the Opinion is as follows:
- **Section II** outlines the Forum's views on what it considers should be the core elements and goals in any such negotiations;
  - **Section III** contains more detailed recommendations on unemployment/employment and equality and anti-poverty themes; and
  - **Section IV** discusses a number of options in relation to the consultative process and concludes by emphasising the need to deepen and widen the social partnership approach.
- 1.5 The progress achieved under each of the three programmes – namely, the *Programme for National Recovery* 1988 – 1990, the *Programme for Economic and Social Progress* 1991 – 1993 and the current *Programme for Competitiveness and Work* 1994 – 1996 – which have been negotiated since 1987 between the Government and the traditional Social Partners should not be too lightly dismissed or underestimated. At this early stage, the Forum is obviously not in a position to pronounce on the question as to whether or not there will be a new programme to succeed the current PCW. This can only be determined if firstly agreement

exists in the Autumn to begin negotiations and secondly whether the terms eventually negotiated are then acceptable to all the parties involved and can promote equitable social and economic development in our society.

- 1.6 Finally, this Opinion sets out the Forum's thinking on a range of policy issues and which will have to be addressed in any case in due course, irrespective of whether or not these negotiations begin in the Autumn.

Section II

**Core Elements  
and Goals**



# Core Elements and Goals

## Introduction

2.1 This Section of the Opinion comprises: a brief overview of economic and social issues of particular concern to the Forum and an outline of the international environment which provide the contextual setting to any negotiations, a list of the core elements which should be covered in these negotiations and the underlying employment and equality policy goals which stem from and are directly linked to the choice of these core elements.

### (i) Background

2.2 Dramatic improvements have been achieved in our economic performance in recent years as reflected in the 170,000 non-agricultural jobs which have been created since 1987. Social exclusion, long-term unemployment and poverty remain, however, as major policy issues. This is evidenced by:

- the documentation prepared for the Government's *National Anti-Poverty Strategy* which details issues of isolation, powerlessness and exclusion in urban and rural contexts and among communities of interest such as Travellers, women, lone parents and people with a disability;
- most social welfare rates are still below the *minimally adequate standard of living* which was recommended 10 years ago by the Commission on Social Welfare while many low-paid workers live in households with income equivalents below this line;
- the gap between those living on social welfare payments and the rest of society continues to widen dramatically in *absolute* terms; for example, on the basis of budgetary changes and pay increases over the last two years of the PCW, a couple will be £281 a year better off if long-term unemployed, £1,043 better off if earning £20,000 and £1,810 better off if earning £40,000 a year;
- as against this, however, after taking account of taxation changes, net income has increased at a considerably slower rate than that of Unemployment Assistance; for example, over the period 1987 – 1994, net pay for a single person, a married couple with no children and a married couple with 2 children at average manufacturing earnings has increased by 19%, 14% and 13% while the comparative increases for those on Unemployment Assistance were 33%, 23% and 23% respectively;

- despite the record number of jobs being created, unemployment reached a level in excess of 280,000 in April of this year compared to 250,000 in 1987; over the same period, long-term unemployment, as measured by those who have been unemployed for over a year or more, has increased by 23% and now accounts for 48% of total unemployment; and
- the long delays in delivering on Government commitments in relation to equality legislation in employment<sup>1</sup> and in non-employment areas and the development and provision of child care facilities.

The Forum also wishes to emphasise the importance for policy purposes of providing comprehensive statistics on a regular basis on the distribution of all personal incomes and urges that this should be treated as a priority by the *National Statistics Board*.

2.3 While the above problems have been an endemic feature of our society for many years, national programmes agreed between the Government and the Social Partners have had a positive impact. This is reflected by the significant progress which has been made since 1987, when the first such programme (the PNR) was negotiated, in areas of social equity such as health, education and reform of the social welfare system. Moreover, expenditure in these areas has increased each year at a rate well ahead of inflation, with the result that an increasing proportion of GNP is now being spent on these services. While acknowledging and welcoming these developments, nevertheless, economic and social divisions are pronounced in our society.

2.4 The underlying contributory factors and policy issues involved in this – which is not limited alone to adequacy in social welfare payments but covers also wider questions such as the provision of jobs and the more effective targeting of education and other resources to those in greatest need – should form a core strategic focus in any future national programme that may be negotiated. This will require, inter alia, extending the social partnership concept so as to ensure a fuller involvement in these negotiations by representatives of disadvantaged interests which up to now have been excluded. The issues and options involved in this area are outlined in Section IV of the Opinion.

#### (ii) International Context

2.5 For a small open economy with a uniquely high dependence on world trade<sup>2</sup>, which is a key determinant of our capacity to increase jobs and living standards, the central thrust in the mix of our macroeconomic policies is and will

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<sup>1</sup> The Government recently published the text of their *Employment Equality Bill*.

<sup>2</sup> This country's exports account for over two-thirds of what we produce compared to an EU average of only just over one-quarter.

continue to be heavily influenced by external developments. These developments and conditions are largely determined by factors over which we have little control and we are in no position to influence their scope and direction except, of course, indirectly through our membership of international fora, notably that of the EU. This in turn emphasises the need for flexibility and rapid response to change and our capacity to address more effectively economic and social problems will be critically dependent on how well we compete on international markets.

2.6 Over the next few years the international environment, including the commitments made by successive Governments at EU/UN levels, will be set by the combination of a number of factors such as:

- preparation for the third and final stage of EMU which is to begin on 1 January, 1999 and the probability that our largest trading partner the UK will not be a member;
- the Essen European Council's Five Point Action Plan (involving preparation by the Member States of multi-annual programmes based on this agenda plus a follow-up mechanism) which covers a number of elements previously highlighted by the Forum such as training, increasing the employment-intensity of growth (through, inter alia, moderate wage settlements to facilitate job-creating investments, local development and employment initiatives including those in the social economy in relation to environmental and social services and a more dynamic organisation of working time), reducing non-wage labour costs to facilitate take-up of employment, improving the effectiveness of labour market policies and measures to help groups hardest hit by unemployment (young people, the long-term unemployed, older workers and unemployed women);
- the emphasis in the EU White Paper on Employment, Growth and Competitiveness for a more sustainable European model of development which would contribute to a higher intensity of employment and less intensive use of energy and other natural resources through the application of cleaner technologies and the development of a consistent set of market incentives for this purpose; also the European Commission's recommendation that the EU should set as a target the halving of the unemployment rate by the year 2000;
- the EU White Paper on Social Policy and the EU Medium-Term Social Action Programme which are centred on preserving and developing the European social model, promoting job creation as the top priority, investing in world-class education and training skills, encouraging high labour standards, promoting equality of opportunity and building a European social model of consensus between governments, trade unions, employers and voluntary organisations;

- implementation of the Platform for Action which was adopted at the Beijing UN Fourth World Conference on Women; this covers, inter alia, facilitating women's full participation in public life, equal participation in decision-making, access to secure and well-paid employment, increased sharing of family responsibilities, access to high quality child care, recognition of the work of women in the home, legal protection against discrimination and ensuring that health services meet the needs of women;
- the Programme of Action, endorsed at the UN World Summit for Social Development in Copenhagen, to a sustainable reduction of overall poverty and inequalities through addressing the root causes of poverty, ensuring that people living in poverty have access to productive resources, have adequate economic and social protection, participate in decision-making and that factors and constraints which foster and sustain inequality are removed;
- the present levels of EU Structural and Cohesion funding which is only guaranteed up to and including 1999 as well as EU Enlargement and its implications for the CAP and EU Structural/Cohesion Funds;
- the EU Single Market and deregulation of key infrastructural services such as energy and telecommunications, with further trade liberalisation under the auspices of the WTO and intensified competition for mobile investment and market shares by low-wage economies in Asia and Eastern Europe;
- globalisation and increasing competitiveness, the ongoing pace of innovation and the revolution in information and communications technologies;
- international and EU obligations on the environment, including the commitments made at the UN Conference on Environment and Development in relation to sustainable development; and
- the peace process and developments in Northern Ireland.

**2.7** To cope with these challenges and maximise the opportunities which they present for sustainable employment and alleviating social exclusion, the macro-economic policy framework pursued by Government needs to be underpinned by:

- meeting the convergence criteria set down in the Maastricht Treaty in terms of Government borrowing, national debt, interest rates and inflation; and

- fiscal and monetary policies to facilitate our meeting the above criteria as well as supporting a stable exchange rate where the minimum aim should be to at least maintain competitiveness with our main trading partners.

But this process has to be reinforced and complemented at the same time by parallel efforts and specific commitments, taking into account the increasing momentum and the wider debate at EU level (both in the Inter-Governmental Conference on the EU Treaty and elsewhere), to a more effective integration and balance between economic and social policies, with particular reference to promoting equality of opportunity and social inclusion.

2.8 The Forum particularly welcomes, therefore, in this context that the recent Florence European Council accorded special emphasis on an integrated employment and growth strategy, the combating of social exclusion, promoting equality of opportunity, socially-balanced efforts to reduce budgetary imbalances, promoting a wages policy favourable to employment and competitiveness, accelerating reforms as regards public employment services, the EU Commission's Employment Pact and the French Government's Memorandum on a European social model. More recently, the Minister for Finance has announced his intention to seek institutional changes to ensure that EU economic policy is driven by the need to create jobs and alleviate poverty, rather than simply by the requirement to meet the Maastricht criteria.

### **(iii) Specific Core Elements for the Negotiations**

2.9 Against the contextual setting of the above international environment and of our economic and social needs, the Forum considers that the core issues in any negotiations should be:

#### ***Equality and Social Exclusion***

- legislative and equality proofing initiatives, institutions (viz. an Equality Authority and an Equality Tribunal) and strategies targeted at women, lone parents, people with disabilities and Travellers;
- putting in place the National Anti-Poverty Strategy as a basis to tackling poverty more effectively in the future;
- adequacy in social welfare payments;
- quality delivery of social services; and
- development of a child care strategy at national level.

### ***Pay and Taxation***

- income tax reductions related to moderate pay settlements, in both the private and public sectors, so as to combine improving living standards with supporting competitiveness and job creation strategies;
- similar moderation in non-wage incomes such as rents and dividends should also be considered;
- special provision for those on low pay; and
- greater equity in our taxation system through further tax-broadening measures.

### ***Tax Reforms and Job Creation***

- continuing the process initiated in recent budgets of making our tax/social welfare system more employment-friendly, and reducing the tax wedge, particularly for those on low pay;
- achieving tax/PRSI rates at more competitive levels with those of our trading partners, especially the UK; and
- further tax reforms to encourage greater enterprise and risk-taking, especially in productive job-creation investments;

### ***Job Creation***

- an adequately-resourced Local Employment Service (LES) and operating effectively on a nationwide basis;
- jobs potential of (i) the services sector (including the social economy), (ii) work sharing arrangements and (iii) the provision of child care facilities;
- further job and training initiatives, particularly for the long-term unemployed, older workers and other disadvantaged groups such as women, people with disabilities and Travellers; and
- structural adjustments to encourage innovation, increase competitiveness and enhance the economy's productive potential and the employment-intensity of growth.

***Development of Social Partnership***

- widening social partnership to include a more direct involvement in the negotiations on any future programme by a variety of interest groups who are at present excluded;
- strengthening and broadening the monitoring and review procedures for any such programme; and
- further development and deepening of the social partnership concept at all levels of the decision-making process.

2.10 The key requirements which underlie all of the core policy issues listed above are those of *enterprise, competitiveness, social justice, equality, regional balance and sustainable development*. Competitiveness should cover not only pay and greater control, relative to what has occurred in recent years, of public expenditure and a re-ordering of priorities to facilitate the achievement of anti-poverty and equality objectives as well as further reductions in taxes on employment, but should also extend to the full range of other factors involved such as productivity, innovation, education and training, marketing, design and the various support services provided by the State and State-sponsored bodies. In short, competitiveness and economic growth policies must be accompanied by and be translated into improvements in social policies, with higher living standards and increased opportunities for everybody.

2.11 In this respect, and as has been repeatedly emphasised by the EU Commission, competitiveness and social policies represent two sides of the same coin, with improvements in social standards seen as a key element in the competitiveness formula and in a society's overall efficiency and cohesiveness.

**(iv) Employment and Equality Goals**

2.12 The detailed negotiations and follow-up on the above core elements should be particularly focused on:

- accelerating and maximising the level of job creation, while at the same time maintaining existing jobs and consideration given to ensuring that the long-term unemployed benefit from the new jobs being created;
- making a decisive step to reducing unemployment, and particularly long-term unemployment, which is one of the major economic and social problems facing this country;
- alleviating significantly the economic and social exclusion experienced, both in urban and rural areas, by nearly one-third of our population as a result of long-term unemployment, poverty and disadvantage; and

- promoting and achieving greater equality of access, participation and outcomes for all marginalised groups in our society.

2.13 The ultimate goal must be one of full employment. In this regard, it is significant to note<sup>3</sup> at the international level, that the countries who have succeeded in maintaining low unemployment levels are those by and large who are committed to the policy principle of full employment and have the institutional arrangements and supporting policies to realise that commitment; a contrary viewpoint on this cites the job creation experience in the U.S. and the UK. One of the unacceptable features of our policy-making system in more recent times has been that full employment is dismissed by many as a pipe dream and an almost fatalistic acceptance that our present levels of unemployment are inevitable. This attitude is one which is totally rejected by the Forum and in its view it is essential that this goal should be kept to the fore so that there is a more informed debate on policy options and choices involved in this area at all levels in our decision-making processes.

2.14 The recent labour force projections by the CSO show that, to achieve an unemployment rate of 5% by 2001, will – and depending on the emigration assumptions made – require a growth rate in employment creation of between 34,000 to 41,000 a year. While this has not been realised over any sustained period in the past, nevertheless, it is important to note and we should all take encouragement from the fact that employment has increased over the two-year period to April 1995 by an annual average of 44,000. The goal of full employment can be achieved but this will require major changes and a willingness by all those who have jobs to continue to make sacrifices and contribute equitably to the costs which this would entail, particularly for the benefit of the long-term unemployed.

2.15 Addressing social exclusion, promoting equality of access, participation and outcome and ensuring that everybody shares equitably in the fruits of economic growth is not simply a question of social justice and solidarity. Encouraging marginalised groups to making an active contribution to our economy represents an important element in itself to successfully tackling future challenges while at the same time recognising that those who are not able to participate in the labour market also have a valuable role to play in our society. But the creation of more jobs will not be sufficient in itself and must be complemented by more effective multi-dimensional strategies at national and local levels to address the underlying economic and social factors involved on an integrated basis. These need to be directed at:

<sup>3</sup> See *Full Employment: The Driving Force for Social Justice*, INOU, (October 1994).

- redistributing resources so as to more effectively target groups that experience poverty and social exclusion;
- ensuring that discrimination does not act as a barrier for particular groups or communities in achieving economic, social, political and cultural progress; and
- working towards securing a model of development that integrates and balances more effectively the achievement of economic and social goals.

Partnership and solidarity are key underlying principles for the above purposes.

2.16 Finally, the Forum welcomes the changes in Cabinet Procedure Instructions with the requirement that all Departments and State Agencies now have to ensure, as is the practice in the case of gender equality, that all major policy proposals should be accompanied by an economic assessment of their employment implications.

**(v) Conclusions**

2.17 By way of an overall and concluding commentary, the Forum wishes to particularly emphasise that:

- unemployment, especially long-term unemployment, inequality and poverty are the main economic and social problems facing this country and should now be given greater priority attention;
- a major window of opportunity is available, with the unprecedented boom in economic growth and prosperity and the significant decline in the dependency ratio, to target resources on the scale required to tackle these issues through more decisive and focused policy initiatives; given fiscal constraints, existing public expenditure priorities should be re-ordered to ensure that this happens; and
- our current EU Presidency provides this country with an important leadership role in placing unemployment and issues of inclusion, equality and anti-discrimination at the top of the EU agenda, in supporting proposals tabled at the Inter-Governmental Conference for strengthened action on employment and the inclusion of new Treaty clauses on social exclusion, equality and anti-discrimination issues and, more generally, the creation of a European Union more committed, more identified with and more responsive to the needs of **all** its citizens.

2.18 Finally, the Forum hopes that the recently-published ESRI study of the implications of EMU, which had been commissioned by the Minister for Finance, will provide a basis for a more informed public debate on all aspects of the EMU process, including the employment and social implications, thereby helping in the preparatory planning and ensuring that the full range of economic and social policy options are considered together and fully taken into account.

## Section III

# **Unemployment/ Employment and Equality/Anti- Poverty Themes**



# Unemployment/Employment and Equality/Anti-Poverty Themes

## Introduction

3.1 This Section of the Opinion presents the Forum's more detailed views in relation to a number of unemployment/employment and equality/anti-poverty strategic themes which were included among the core issues identified in the previous Section. It largely comprises a selection of some of the more strategic recommendations made in its earlier Reports and Opinions and which have yet to be implemented.

## Unemployment and Employment Themes

3.2 Under this theme, the main issues outlined fall under the following headings:

- (i) Long-term Unemployment;
- (ii) Services Sector;
- (iii) Work Sharing; and
- (iv) Early School Leavers and Youth Unemployment.

### (i) Long-term Unemployment

3.3 *Ending Long-term Unemployment* is the title of Forum Report No. 4, dated June, 1994. In that Report the Forum stated its belief that:

*"the only appropriate target with respect to long-term unemployment is its elimination. It is accepted that this will take some time to achieve but the Forum's view is that this is possible, if the right choices are made by Irish society and the proper policies put in place".*

3.4 Setting an ambitious target is essential to break down the stranglehold of present defeatist attitudes and to provide the necessary impetus and focus for radical changes in existing policies and approaches. The negotiations on whatever arrangement is to succeed the PCW provide an ideal opportunity and framework to:

- seek consensus and agreement on the type of policy changes and initiatives in this area which need to be accepted at all levels in our society; and
- reorder public expenditure priorities and ensure that a greater proportion of the resources is provided and on a scale sufficient to realise the above objective.

3.5 Long-term unemployment is a major economic issue, as well as an issue of equity and social justice and must be one of the central focal points in these negotiations (see Section II of the Opinion). It will be seen from Table 3.1 below that while unemployment has increased in the period 1987 to 1996 (by 13%) the number of long-term unemployed has increased at a much faster rate (23%). This in turn has meant that long-term unemployment as a proportion of total unemployment has increased by almost 4 percentage points. Over the period 1990 – 1996, the picture is even bleaker; overall unemployment rose by 27% but the increase in those unemployed for more than one year was 36% and even greater again for those unemployed more than three years at 49%. In comparison to their share of overall employment, men and especially older men are disproportionately represented among the long-term unemployed, reflecting in part lower participation rates by women in the labour force and restrictions placed on their eligibility to register as unemployed.

**Table 3.1**  
**Trends in Unemployment and Long-term Unemployment (LTU) 1987-1994**

	1987	1990	1992	1993	1994	1996
Total Unemployed	249,762	223,251	279,881	297,958	286,372	283,170
LTU (more than 1 yr)	111,000	100,266	118,510	132,102	135,340	136,394
Above as % of total unemployed	44.4%	44.9%	42.3%	44.3%	47.3%	48.2%
LTU (more than 3 yrs)	n/a	46,656	54,295	58,312	64,154	69,667
Above as % of total unemployed	n/a	20.8%	19.4%	19.5%	22.4%	24.6%

Source: CSO, *Live Register – Age by Duration Analysis (April issues)*; ESRI (1993).

3.6 As a result of its Report No. 4, long-term unemployment is now on the agenda of all the main Political Parties and the Forum is convinced that, with the same degree of commitment and sustained effort by all the interests involved, this problem can also be resolved as was the case with the public finances when the PNR was negotiated in 1987.

- 3.7 The ultimate success of national programmes negotiated between the Government and the Social Partners must, therefore, be assessed against their effectiveness in tackling long-term unemployment. This will also contribute to alleviating poverty, as long-term unemployment is one of the main causes of poverty in our society.
- 3.8 When one considers that only one in every sixteen job vacancies filled in our economy last year went to a long-term unemployed person, the magnitude of the response required becomes apparent. Not only are more jobs required, but more of the new jobs being created, as well as existing vacancies, need to be filled by the long-term unemployed. Growth in employment is only one aspect. The distribution of existing and new jobs is at least as important. In this regard, special consideration should be given to favouring the long-term unemployed in areas such as the services sector and in work sharing initiatives and this aspect is dealt with later on in this Section of the Opinion.
- 3.9 In its most recent statement on long-term unemployment<sup>4</sup>, the Forum welcomed a number of the initiatives which were announced in this year's Budget such as the more focused approach to Community Employment (CE) to ensure that the long-term unemployed get the maximum benefit, the improvements in social insurance and working conditions for those on CE and parallel pro-employment improvements in the social welfare system, the full-time job option in selected unemployment black spots and the new recruitment subsidy scheme for the long-term unemployed. But the Forum also stressed that these initiatives need to be built on, further strengthened and expanded in proportion to the scale of the problem which has to be addressed.
- 3.10 At the same time, the Forum wishes to repeat a number of the concerns it expressed on that occasion such as all CE participants should be paid the going hourly rate for the job, spouses of the long-term unemployed in low-income households should be eligible in their own right for CE and access to CE should be extended to people on credits to facilitate women's access to training and employment opportunities – these are important elements of equality proofing which is outlined further on in this Section. Other issues are the limited duration of the new work experience option and the compulsory element in the new youth progression programme.
- 3.11 Likewise, the Forum wishes to emphasise again a number of the other recommendations made in that Opinion in relation to (i) the LES (establishing this on a nationwide basis as soon as possible, involvement by the unemployed and employers and regular evaluation and monitoring), (ii) improvements in unemployment statistics and (iii) that the Government initiatives need to be regularly monitored and periodic reports published, including independent evaluations of their effectiveness.

<sup>4</sup> *Long-term Unemployment Initiatives*, Forum Opinion No. 3 (April 1996).

3.12 Finally, two other elements of the strategic approach which it had recommended in its Report No. 4, namely (i) appropriate macroeconomic and structural policies have been raised in the previous Section of this Opinion and (ii) early identification and intervention in the education sector for young people leaving school without qualifications and this is referred to beneath.

**(ii) Services Sector**

3.13 This sector is a key determinant of our living standards, quality of life and competitiveness. It offers the greatest potential for job creation, including a wide variety of job opportunities for the long-term unemployed, but was relatively neglected and received less favourable treatment up to recently.

3.14 A range of policy changes and an integrated strategy are now needed to accelerate the sector's employment performance through a more balanced treatment of all sectors, action to tackle employment barriers and a more effective approach to new areas of potential growth. To this end, the Forum's recommendations<sup>5</sup> cover areas such as:

- Taxation;
- State Aids and State Supports;
- Competition, Regulatory Framework and Competitiveness;
- Education and Training;
- Social Economy; and
- Child Care Facilities.

3.15 Finally, the Forum acknowledges the Government's commitment to a concerted programme to develop the services sector and small business generally as evidenced by the action taken on some of the above recommendations in this year's Budget while others are under consideration in the context of the *White Paper on Services* which is at present under preparation by the Minister for Enterprise and Employment.

**(iii) Work Sharing**

3.16 Work sharing needs to be given greater attention and priority by all the interests involved, given its distinct advantages for our society and economy.<sup>6</sup> While it is not a panacea for unemployment, work sharing has potential for job creation – an ESRI/UCD study estimated that an extra 5,000 to 10,000 jobs could be created.

<sup>5</sup> *Jobs Potential of the Services Sector*, Forum Report No. 7 (April 1995).

<sup>6</sup> *Jobs Potential of Work Sharing*, Forum Report No. 9 (January 1996).

- 3.17 The long-term unemployed should be the main beneficiaries of work sharing initiatives and the LES should have a key role to play in this regard.
- 3.18 One of the Forum's key recommendations is that incentives should be provided to reconcile the differing interests between employers and workers. These incentives should be targeted at the long-term unemployed and be financed from resulting savings in Social Welfare payments.
- 3.19 To tackle the various obstacles involved, the Government should consult with the social partners, representatives of the unemployed and of women with a view to agreeing a work sharing framework strategy at national level. The Forum is concerned that such consultations have not yet taken place, although it is understood that preparatory work, on foot of a commitment in the PCW, to the introduction of a National Voluntary Scheme on work sharing, is at an advanced stage. This delay limits the range of options which the LES can offer its clients.
- 3.20 Finally, the obstacles involved in the take up of part-time work and work sharing such as inadequate child care facilities and poverty and unemployment traps need to be addressed. Also, and to facilitate the progression from part-time to full-time work, part-time workers should be given equal access to selection procedures for suitable full-time vacancies.

#### **(iv) Early School Leavers and Youth Unemployment**

- 3.21 In its Report No. 4 – *Ending Long-term Unemployment* – the Forum expressed concern at the relatively high number leaving school each year who have little or no qualifications, especially as these are most likely in time to become long-term unemployed. It also referred more generally to the relatively low level of educational attainment of the long-term unemployed and highlighted a number of options to tackle this problem more effectively.
- 3.22 The Forum remains of the view that prevention is better than cure. In the context of early school leaving, this means early intervention in the education system through the provision of more flexible, co-ordinated and relevant education options. It strongly favours diverting the significant savings due to declining pupil numbers to pre-school, primary and second level interventions to benefit those identified as at risk of leaving with little or no qualifications. Parallel action is also needed to address the situation of those who have already left school without qualifications. The scale of the problem of early school leavers and educational disadvantage is at such a high level (affecting between 30% to 39% of the age cohort) that it needs to be tackled on a systemic basis, involving not only the education system, but the school system, the family and the community at large.

3.23 Among the issues the Forum is considering at present, in the context of Report which it is preparing on the subject of Early School Leavers and Youth Unemployment, are the targeting of those who leave school with no qualifications, pre-school provision, more relevant assessment methods at second level, the insights of youth work, improving Youthreach, facilitating educational participation by those living in poverty and developing second chance education. It expects that this Report will be available in the Autumn, so that decisions on its key recommendations can be incorporated in any future national programme.

## **Equality and Anti-Poverty Themes**

3.24 Within the framework of Equality and Anti-Poverty themes, the issues outlined in the following paragraphs cover:

- (i) Equality Issues;
- (ii) National Anti-Poverty Strategy;
- (iii) Social Welfare;
- (iv) Potential of the Social Economy;
- (v) Child Care Strategy;
- (vi) Quality Delivery of Social Services; and
- (vii) Rural Development and Social Exclusion.

### **(i) Equality Issues**

#### *Introduction*

3.25 Seeking to achieve equality of access, participation and outcomes, both in relation to employment and non-employment areas, are seen by the Forum<sup>7</sup> as essential requirements to the achievement of greater equality for all marginalised groups who up to now have been excluded from their full participation in our society. The main elements involved in the pursuit of successful equality strategies, namely legislation and administrative procedures should comprise guaranteeing rights of access and participation in decision making processes, affirmative action programmes and monitoring procedures.

#### *Legislative Changes*

3.26 Legislation is an important mechanism to advance equality rights. The Government have now published the text of their Employment Equality Bill but the Equal Status Bill has yet to be published. This needs to be addressed as a priority with specific time-tables and particular attention given to adequately defining and addressing indirect discrimination and initiating positive action programmes. Such legislation must be strong enough to work in practice

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<sup>7</sup> *Equality Proofing Issues*, Forum Report No. 10 (February 1996).

contain clear and unambiguous provisions, have clear objectives, and a definitive means of implementing and monitoring its effects. In its Report, the Forum submitted a range of recommendations in relation to both these legislative areas. The Equal Status Bill in particular, will be an important test of our society's response and willingness to face up to the challenge and obligations involved in tackling inequality issues.

#### *Equality Proofing : Administrative Procedures*

3.27 The adoption of equality proofing administrative procedures are a *sine qua non* to be followed by all Government Departments and State Agencies in improving the impact of all policies and programmes. The Strategic Management Initiative now underway provides an ideal opportunity for a unified approach to be followed and, in this respect, all proposed legislation, Government-funded programmes, and the policies and actions of all Government Departments and public organisations should be proofed in relation to their equality impact. As part of this process, assessing the impact of EU structural fund spending, should now be extended beyond gender proofing to cover all groups protected under the proposed equality legislation, and this should be addressed in the forthcoming mid-term review of these funds.

#### *Equality Proofing Structures : Agencies and Institutions*

3.28 An adequately-resourced *Equality Authority* needs to be established whose functions would include implementing and monitoring equality policies, preparing codes of practice and developing and overseeing the implementation of affirmative action programmes. An *Equality Tribunal* is also recommended as a means of redress on contested equality issues in non-employment areas. Its value would lie in having expert staff, a concentrated body of expertise and the informality of setting in comparison with the courts.

#### **(ii) National Anti-Poverty Strategy**

3.29 The Forum has already<sup>8</sup> welcomed the development of the *National Anti-Poverty Strategy* and wishes to support and assist in its development and implementation. This is now an opportune time to give this *Strategy* added impetus and direction. The fact that key elements of the Forum's perspective, as outlined in a number of its earlier Reports, are included is particularly welcome. The inclusion of a rural dimension in the *Strategy*, and its integration as a priority theme, is supported by the Forum. Discrimination against groups and individuals is one of the factors which mediates access to and experience of resources and hence is a key poverty issue. The Forum strongly recommends that, even at this late stage, discrimination should be included as a priority theme for the *Strategy*.

<sup>8</sup> Forum Opinion No. 2 on the *National Anti-Poverty Strategy* (January 1996).

3.30 The equality proofing administrative procedures recommended above should now be incorporated and made central to the institutional mechanisms envisaged under the *Strategy* so as to address the impact of policy and of current and planned expenditure on groups that experience both poverty and inequality. This would better inform public debate on the priorities which determine public sector allocation of resources and lead to more effective decision-making.

**(iii) Social Welfare**

3.31 The Forum has consistently emphasised the importance of adequacy in Social Welfare payments which is singularly the most important recommendation still outstanding from the 1986 *Report of the Commission on Social Welfare* (CSW). Everyone should have an income sufficient to live life with basic dignity.

3.32 While significant progress has been made (see Table 3.2) further action is, however, still required in this area. An important point to note is that, on foot of a commitment in the Government's Programme of Renewal, the ESRI is at present reviewing this whole question with a view to recommending new rates in the light of all the changes which have occurred since 1986 – the main rate was seen by the Commission as only representing a *minimally adequate standard of living*. Also, further steps are needed to facilitate the move from unemployment and welfare to work, taking into account the set of principles outlined in the recently-published Report by the Expert Group<sup>9</sup> and which are fully in accord with the Forum's thinking in this area.

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<sup>9</sup> *Integrating Tax and Social Welfare*, Expert Working Group Report (June 1996).

**Table 3.2**  
**Social Welfare rates as a proportion of CSW rate\***

Scheme	1985	1995	1996
	%	%	%
Interim Benefit/Interim Disability Benefit	104	89	90
Old Age Contributory Pension	98	104	105
Retirement Pension	98	104	105
Survivors Contributory Pension	88	95	95
Deserted Wife's Benefit	88	95	95
Invalidity Pension	86	92	93
Old Age Non-Contributory Pension	84	89	90
Widower's Non-Contributory Pension	82	89	90
Deserted Wife's Allowance	82	89	90
Prisoner Wife's Allowance	82	89	90
Lone Parents Allowance	82	89	90
Disability Benefit	75	89	90
Unemployment Benefit	75	89	90
Long-term Unemployment Allowance	67	89	90
Small Holders Allowance	67	89	90
Pre-retirement Allowance	67	89	90
Short-term Unemployment Allowance	62	86	87
Supplementary Welfare Allowance	60	86	87
Carers Allowance		89	94

\* This refers to the median of the £50-£55 band (viz. £71.50 in 1996 terms) recommended by the Commission on Social Welfare (CSW).

Source: Department of Social Welfare.

3.33 Another area of concern is that of greater uniformity and rationalisation in means testing, for more public information on the components of the means test and amendment in the rules for assessment of capital means which have been unaltered for very many years. A commitment to consider streamlining and standardising application and assessment procedures, including means testing, was included in the PCW and progress has been achieved in some areas. However, there are still outstanding anomalies which remain to be tackled. A recent report by the Comptroller and Auditor General highlighted the costs and inefficiencies involved in the duplication of means testing.

3.34 In the longer term, the Forum believes that there should be moves made towards reducing the role of means tests and providing income support as of right, on the basis of contributions made. Other strategic issues<sup>10</sup>, where further progress is required are:

<sup>10</sup> See *Income Maintenance Strategies*, Forum Report No. 5 (July 1994).

- further development in the range and coverage of the Social Insurance system;
- the need to reconcile child care and family responsibilities with employment;
- facilitating women and older people's participation in training/employment schemes;
- moving towards individualisation of payments; and
- enhancing the incentives to participate in training and the transition back into employment for the unemployed.

**(iv) Potential of the Social Economy**

3.35 The Forum has highlighted<sup>11</sup> the important role of the social economy as regards (i) its job creation potential; (the European Commission has estimated that up to 3 million jobs could be created in the European Union in the areas of local services, improvements in the quality of life and environmental protection) and (ii) in improving the quality of life, particularly for disadvantaged communities.

3.36 The "social economy" is concerned with meeting real demands which cannot be fully met by the market alone and are not provided by the public sector. It is located within a continuum of delivery possibilities between fully commercial and public provision. Its viability depends on a mix of trading income, public sector finance, voluntary inputs and private sector solidarity. The services provided include, for example, child-minding, neighbourhood shops, local public transport, improvement of public areas in towns, etc. The focus is on the local area and on the balancing of social and economic objectives, with a particular emphasis on improving the quality of life.

3.37 While the costs of financing support measures and possible displacement effects as regards public service employment have to be borne in mind, the Forum accepts the benefits of the social economy, in terms of increased employment and welfare. For this purpose, there needs to be formal recognition by Departments and State Agencies of its role and potential.

3.38 Having identified this potential, the next stage should be for relevant Departments and State Agencies and those involved directly in the social economy to proactively develop appropriate support strategies and effective local delivery mechanisms. In particular, the Area Partnerships, FÁS, and the Department of Social Welfare should be specifically charged to set up pilot initiatives in this area. New support packages and incentives need to be put in place for this purpose.

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<sup>11</sup> See *Jobs Potential of the Services Sector*, Forum Report No. 7 (April 1995).

**(v) Child Care Strategy**

3.39 The Forum has looked at the issue of child care in a number of its Reports<sup>12</sup>. This issue is important for a number of reasons, and, in particular, because of (a) the overlap with equality issues in reconciling work and family responsibilities, (b) its links with poverty, and (c) the potential that exists for the creation of quality employment opportunities as evidenced by the fact that this country has the lowest level of child care provision in the EU.

3.40 The inadequacy of child care facilities represents a considerable barrier to working parents (particularly women) who wish to avail of training, education and work opportunities outside the home.

3.41 Despite the commitments made in the PCW and experience gained from pilot initiatives undertaken by ADM Ltd (but which are limited to training and support infrastructure), the Forum is concerned at the lack of progress made in this area and again reiterates its earlier recommendations that:

- child care provision should be affordable, accessible and responsive to the needs of both parents and children, particularly for low-income families and single parents;
- child care services should be regulated to ensure adequate quality, proper safety and supervisory standards;
- providers should be adequately trained to a nationally recognised standard; and
- flexible employment practices, which fully underpin quality working conditions, should be actively promoted to assist men and women workers in the integration of home and work life.

3.42 Finally, the provision of child care services is one which the Forum regards as having particular potential for the development of the social economy and, in this regard, it urges that the results of pilot initiatives be taken on board and developed more systematically than is the case at present.

**(vi) Quality Delivery of Social Services**

3.43 The recently-published Report by the Co-ordinating Group of Secretaries on the Strategic Management Initiative<sup>13</sup> sets out new approaches and principles for the quality delivery of public services. The Forum particularly welcomes this

<sup>12</sup> See Forum Report No. 6, *Quality Delivery of Social Services*; Report No. 7, *Jobs Potential of the Services Sector*; Report No. 9, *Jobs Potential of Work Sharing*; and Report No. 10, *Equality Proofing Issues*.

<sup>13</sup> *Delivering Better Government* (May 1996).

development and the acknowledgement given that these set of principles were formulated on the basis of its own Report No. 6<sup>14</sup>. The next stage is, of course, to translate these principles into operational terms as part of the implementation of the Strategic Management Initiative and, in this respect, the Forum wishes to highlight a number of its other key recommendations such as:

- *Consumer Charters* setting out rights and entitlements to specific forms of provision in terms of goals, time-tables and procedures for review, quality standards and enforceable consumer rights;
- *Consultation and Participation* on a partnership and regular basis between the statutory and voluntary sector before decisions are taken, with open access to all necessary documentation, and extending these principles to the point of service delivery at local levels; where necessary, statutory agencies should work with and resource local groups to develop their representative character;
- improved *Information and Advice*; specific recommendations were made on Good Practice Guidelines on Information and on the main elements which should be covered;
- better *Access* with development of *one-stop shops*, more flexible opening hours, greater availability of free or reduced phone lines, maximum waiting periods and replies to correspondence;
- *Complaints and Redress* procedures with customer rights clearly specified; and
- establishment of *Customer-Service Advisory Groups*; specific recommendations were made on the membership and role of these Groups.

3.44 Substantial progress has been made in service delivery by some Departments/ State Agencies and this is ongoing e.g. the recent introduction of a Charter of Rights for Farmers, and the establishment of customer panels around the country by the Department of Social Welfare. However, this process now needs to be given greater momentum and direction, and the results need to be carefully monitored. The Forum welcomes, therefore, the Government's recent decision that all Departments should:

- take on board the Forum's recommendations in relation to service improvement with a view to implementing them as far as possible with particular priority given to the recommendations on information/advice, consultations with users, methods of redress and other recommendations which have little or no resource or cost implications; and

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<sup>14</sup> *Quality Delivery of Social Services*, Forum Report No. 6 (February 1995).

- draw up plans for the phased implementation of the recommendations, within existing budgetary and staff resource constraints, in the context of proposals for an initiative on service quality improvement, as set out in the above Report of the Co-ordinating Group of Secretaries under the Strategic Management Initiative (SMI).

A notable feature of the above Government decision is that progress on implementation will be reported annually to the SMI Group and that the Forum will be kept informed of future developments in this area.

3.45 The voluntary and community sector plays an important role in the provision of advice, advocacy and, in some cases, in the direct delivery of social services on behalf of the State. The Forum again wishes to highlight the recommendations made in its Report No. 6 to enhance that sector's input in policy-making, service delivery and criteria for statutory funding of the sector. Despite past commitments, which were renewed in the PCW, the promised Government White Paper in this area is still awaited.

#### **(vii) Rural Development and Social Exclusion**

3.46 The Forum is at present preparing a Report on *Rural Development and Social Exclusion*. This is expected to be finalised in the Autumn. It does not, therefore, wish at this stage to anticipate its findings or recommendations except to say that:

- the demographic imbalances brought about by emigration, coupled with geographical location, means that poverty in rural areas has distinctive features; lack of transport facilities for vulnerable groups such as the elderly, women, disadvantaged and youth needs to be given particular attention;
- the unemployed in rural areas face extra problems of very limited jobs, inadequate and expensive transport and poor communications which raise distinct issues for the development of the Area-Based Strategy and the LES in rural areas;
- the effects of rationalisation and centralisation of public facilities (such as local hospitals, post offices, Garda stations and primary schools) on rural viability, local development and the life of marginalised rural communities is another priority area for attention;
- more participative, integrated and inclusive institutional structures at local, regional and national levels to ensure that the interests of the socially-excluded groups in rural areas are represented and taken into account; and

- the need for more effective regional planning mechanisms and policies is all the more urgent, as with our increasing levels of prosperity relative to the EU average, this country as a whole is unlikely to qualify for Objective 1 status when the current round of EU structural fund spending expires in 1999.

Section IV

**Consultative  
Process and  
Development of  
Social Partnership**



# Consultative Process and Development of Social Partnership

## Introduction

- 4.1 This Section outlines the Forum's response to the second component of the Government's invitation, namely the consultative process for any new national programme that might be negotiated to follow the PCW and the related question of the further development and enhancement of the social partnership concept.
- 4.2 The Forum was established by the Government in 1993 to develop economic and social policy initiatives, particularly initiatives to combat unemployment, and to contribute to the formation of a national consensus on social and economic matters. Through its membership, the Forum extends the partnership arrangements beyond the traditional Social Partners (Strand Two), to include representatives of groups such as the unemployed, women, the disadvantaged, people with a disability, youth, the elderly and environmental interests (Strand Three), as well as Members of the Oireachtas and a Government representative (Strand One). As such, within the different arenas of social partnership, it is currently unique due to the broad spread of interests it encompasses.
- 4.3 A specific undertaking was given at the outset that the Government and the Social Partners would take account in their deliberations and in negotiating future national programmes of the views expressed and the positions which had been agreed on by the Forum.
- 4.4 In assessing the contribution which it made over the first two years of its existence<sup>15</sup> the Forum considered that it had achieved positive results and, in the overall, it was pleased with the Government's responses to its recommendations. In a foreword to that Report, the Tánaiste and Minister for Foreign Affairs, Mr Dick Spring T.D., highlighted that "the Forum has helped to broaden and deepen our democracy and that national policy formulation has been enriched by its contributions to date". In this regard, he particularly highlighted the valuable contribution of the Third Strand Groups who had not traditionally been part of the consultative process and that this was evident in the Forums Reports.

<sup>15</sup> *First Periodic Report*, Forum Report No. 8 (May 1995).

(i) **Consultative Process for a New Programme**

- 4.5 The nature and scope of national programmes such as the PCW extend beyond pay and related matters of more direct concern to the traditional Social Partners to include also a strategic direction and policy framework for the future on a wide range of issues impacting on disadvantaged and marginalised groups in our society. Given the interdependence between economic and social policies, national programmes have the *potential* to tackle these issues more effectively but the existing negotiating arrangements need to be strengthened and made more inclusive for this purpose. At the same time, however, it has to be recognised that these programmes are not the only mechanism in this respect and that Governments are ultimately responsible for the full range of policies which they pursue.
- 4.6 The pressure for change has been strongest from the groups represented on the Forum's Third Strand who consider it unjust and unacceptable to negotiate a programme covering areas such as unemployment, health, education, social welfare, etc. while excluding groups representing those most directly affected and who have expertise and practical experience to bring to bear on the policy issues involved. In short, what is now required is an equivalent but a more broadly-based national consensus in addressing these issues and with a similar degree of commitment and resolve to that which was deployed since 1987 in the economic sphere under the social partnership approach.
- 4.7 The case for direct participation and involvement has also come from a variety of other interest groups who are not represented on the Forum. In essence, all these representations centre essentially on the following three distinct stages:
- (i) **Consultation Status:** this would afford an opportunity to make submissions, to formally present and promote these in discussions with the negotiating parties and to be kept informed in a general way on developments in the negotiations;
  - (ii) **Participation Status:** this would be an intermediate stage between (i) and (iii) below; it would involve a strengthened role, beyond that under stage (i), with the parties involved having the opportunity to more actively promote their interests and, by implication, fuller account would be taken of their views in the negotiation process; this might also be extended to providing a facility to comment on draft negotiating texts, particularly from an equality proofing perspective; and
  - (iii) **Full Negotiation Status:** this would mean that the new parties to the negotiations would have the same status as the traditional Social Partners.

- 4.8 Under each of the above three stages, there are a number of basic questions which arise for consideration such as:
- Which parties should be involved?
  - What issues should be covered? Should these be limited to the particular areas of direct concern to their members? Or should these issues be wider to possibly include all elements in the negotiations?
  - What organisational and procedural arrangements should apply? For example, should the Forum have a fuller involvement in the negotiating process beyond preparing and submitting this Opinion?
- 4.9 In the context of broadening the interests involved in the negotiation of national programmes, the Third Strand believes that there are important interests which are not adequately represented by the traditional Social Partners, and that the interests represented in the Forum's Third Strand are the key groups under-represented in that process. Some of the options put forward beneath for broadening this process outline how a new *community platform* representing such interests could be involved in the post-PCW process. This would be achieved by involvement of the representative organisations at national level which advocate and articulate those interests. In the following paragraphs, the term *community platform* is used to describe this broader constituency. The Third Strand has also emphasised that its representation in any post-PCW negotiations may not be the same as that on the Forum, given the different issues involved.
- 4.10 There is unanimous acceptance within the Forum that the arrangements under previous programmes need to be improved on to ensure greater participation and involvement by groups whose interests are directly affected by these negotiations. However, there are important differences of views as to how far there should be movement from the present situation.

## **Consultation Status Option**

- 4.11 While details on the nature of such a consultative status and mechanisms on how it would operate in practice remain to be established, it is clear, however, that a negotiating role proper is not envisaged. One possibility is that the National Economic and Social Summit, which has been proposed by ICTU, might be used to work out the procedural details and "kick-start" such a consultative mechanism. It is envisaged by ICTU that this Summit, which would include presentations by the Forum, the NESC, IBEC, ICTU and other interest groups in our society, would identify the priorities of the different groups and areas of common concern, in the event of any future talks. This process could also assist in streamlining and co-ordinating the roles of the various bodies involved in social partnership.

- 4.12 Another possibility is that groups not currently included would be kept up-to-date on the scope and general content of the discussions and the broad priorities of the Social Partners by the Chairperson of the negotiations, on behalf of the Government, and the people leading the various strands of the talks. These groups would have an opportunity to react to the outline provided and stress any points which they believed should be emphasised or taken into account. A commitment would be given that these issues would be considered in the direct negotiations. During the course of the negotiations, the groups would be updated on developments and given feedback on the particular issues which they had raised. IBEC, in particular, supports this Option and does not accept that this is a no-change scenario. It considers that the process involved could entail real involvement and are prepared to examine that possibility positively.
- 4.13 A further possibility is that the Forum might provide a mechanism for such a consultative process. Both employer and trade unions representatives on Strand Two have signalled their support for a role by the Forum in a consultative process while some elements in Strand One have emphasised the Forum's potential role as a facilitator and broker between the parties involved.
- 4.14 More specifically, and in line with its overall approach, ICTU considers that, if and when negotiations start, the Forum's input, and reflecting its unique composition and innovative role, should be continued through a process of structured consultations between all the interests involved. The employer bodies also believe that the Forum's structure can be used as a basis for consulting the key groups involved. Furthermore, Congress considers that any future programme must recognise the Forum's success in providing regular and action-orientated recommendations and take more explicit notice of its recommendations.
- 4.15 On the other hand, Strand Three considers that a consultative role by the Forum is complicated by the facts that:
- the employers and trade unions are an integral part of the Forum, thus creating a scenario where they would in part be consulting with themselves;
  - the *community platform* to engage in the negotiation of a new national programme may not be the same as that on the Forum's Third Strand; and
  - the division of the Forum into its constituent parts for an exercise of this importance could be damaging to its internal cohesion and its external standing.

4.16 More generally, Strand Three has also emphasised that any consultative status and mechanisms would fall far short of what is required to protect and advance the interests which it represents. Moreover, it points out that this would represent no substantive advance and is simply a formalisation of what had taken place over the preceding three programmes. For example, at the time of the PCW negotiations, in addition to the NESC and NESF inputs, submissions were also made by organisations such as the INOU, CORI and the National Youth Council. However, the view of these organisations is that this process did not work, had no impact in influencing the eventual outcome and as such was a waste of everybody's time.

### **Participation Status Option**

4.17 This Option is a step forward from the previous Option of consultation and, as such, represents an intermediate stage to being at the negotiating table as a full and equal partner.

4.18 Again, the detailed procedures and mechanisms involved need to be worked out – and a variety of possibilities exist in this regard. The distinguishing features of this Option is that there would be greater engagement and commitments given to consider and take into account as fully as possible the views of the parties involved in the negotiations proper. One such mechanism which has been suggested is that any future draft national programme should be assessed by the *community platform* from an equality-proofing perspective, using as a basis for this purpose the procedures which had been recommended in the Forum's Report No. 10.

4.19 However, those at the negotiating table would not feel bound by this process and, in the final analysis, Strand Three considers that this Option would not differ all that greatly from the Consultation Option and is no substitute to having a full voice at the negotiations.

### **Negotiation Status Option**

4.20 There are 2 variations under this Option:

- (i) some or all of the *community platform* should have full social partner status in non-pay issues of the negotiations; or
- (ii) some or all of the *community platform* should have full social partnership status in **all** elements of the negotiations.

4.21 It has been strongly argued by some Strand Three organisations in support of the above variants that, and at the outset of the negotiations, there should be agreement on the proportion of resources over the period of the programme which would go to policy areas such as pay increases, tax reductions, long-term unemployment, social services, etc. These allocations should determine the priorities of a new programme but would be subject to any modifications agreed on during the course of the more detailed negotiations. For example, pay increases might be traded against tax reductions or improvements in social services. However, it would be crucial that the division of these resources be agreed on before the detailed negotiations begin on the various components of a new programme.

4.22 The above argumentation has, however, been challenged on a number of grounds as to its feasibility: (i) that social partnership has as its core a bi-partite bargaining process on workplace issues such as pay and conditions of employment; (ii) commitments on non-pay issues tend to be at the level of general principles only while avoiding specific details and expenditure commitments; (iii) many areas of public expenditure do not fall within the scope of national programmes; and (iv) Governments have responsibility to take the decisions on public expenditure matters and in the final analysis are democratically accountable for these decisions.

**Negotiation Option (Variant I): full involvement by some or all of the *community platform* in non-pay issues of the negotiations.**

4.23 The reasons advanced by Strand Three in support of the above include:

- the *community platform* must be directly represented at the negotiating table to ensure that its interests are adequately taken care of; membership of the NESF and the NESF is no substitute for this;
- this is in the interests also of the Government and existing Social Partners as an increasingly divided society, apart from the waste and unused economic potential involved, also suffers in terms of more crime, greater drug abuse, insecurity and violence, etc;
- issues such as disadvantage, inequality and social exclusion are of concern to voluntary and community sector groups who have direct experience and expertise to offer on how best these should be addressed;
- this would ensure a better balance of interests in the process, accord equality and parity of esteem and status to all organisations and confer greater legitimacy, commitment and support to the outcome and follow-up on the results of the negotiations; and

- it would be the logical next step in strengthening social partnership and in maximising the benefits which have accrued from this process; it would also be in keeping with developments at European, national, regional and local levels to the broadening of social partnership and the enhancement of participative democracy.

4.24 As regards criticisms that this would make the whole negotiating process impossible and the argument put forward by successive Governments that the community and voluntary sector is not collectively organised and could not, therefore, be effectively represented, the Third Strand's response is that:

- the situation has changed radically since 1987; over the last three years, the sector has shown its capacity to work very effectively and collectively within the Forum and other arenas and this has been widely acknowledged and respected;
- a similar "platform" can be organised in the negotiations process to ensure that the sector can be responsible for its own representation, that the full diversity within the sector can participate in an organised and cohesive manner and that the full range of interests involved can be effectively represented; and
- the full sector would not be seated around the negotiating table at the same time but rather that the constituent organisations would only be involved when negotiations take place on non-pay issues which directly affect the interests which they represent.

4.25 In contrast to their stance on pay (see paragraph 4.29 beneath), the position of the Social Partners seems to be more open and flexible on the non-pay aspects of the negotiations. ICTU, in particular, has emphasised that the ongoing exclusion of some interest groups from the benefits of these programmes undermines the legitimacy of the consensus achieved at national level no matter how the parties to the programmes may claim to represent these interests.

4.26 On the other hand, IBEC would have reservations about the capacity of more narrowly-focused organisations in the community and voluntary sector, who would only be involved in particular aspects of the talks, to concede points or be prepared to compromise so as to secure agreement on an overall negotiated package. This in turn could encourage other parties, including the Social Partners, to pick and choose on the various aspects of the agreement, with the result that the prospect of negotiating any overall package would be seriously undermined. This would create insuperable difficulties within the system which is based on trade-offs and the willingness of the parties to sign up to things they

would otherwise prefer not having to do but are prepared to accept as part of an overall agreement. There is also the problem of what would happen if one group rejected the agreement or a particular section of it.

- 4.27 As against this, however, it has been argued by elements within the Third Strand that this position is attempting to reconcile increased participation by the sector within the confines of present structures; adaptation of these structures to allow for such participation is all that can be expected now but in the medium term these structures and arrangements need to be fundamentally reviewed, if the social partnership approach is to be further developed and strengthened.

**Negotiation Option (Variant II): full involvement by some or all of the community platform in all elements of the negotiations.**

- 4.28 This Option is strongly advocated by some organisations represented in the Third Strand, most notably by the INOU, the National Women’s Council and the Community Workers Cooperative. In the view of these organisations, it is essential that they be involved as full and equal participants in **all** elements as the parallel negotiations on pay and related matters centre on resource issues, pre-empt the distribution of national income and wealth and cannot, therefore, be divorced from the negotiations on non-pay issues. For example, the unemployed have a very real interest in the trade-offs on pay and taxation and the outcome of the negotiations in these areas has a very direct impact on their chances of getting a job. The three organisations referred to above argue that, should the general claim for the community and voluntary sector be rejected, each has a separate case on more specific grounds for their own participation.
- 4.29 However, both the employer and trade union bodies seem to be in agreement that any participation by the voluntary and community sector in the pay component of the negotiations raises fundamental difficulties of principle and cannot be supported. In essence, their position is that the issues involved are matters pertaining to the work place, ones for resolution and bargaining through the negotiating process, with both sides in a position to offer trade-offs and abide by and deliver their members on whatever settlement is eventually negotiated. In this regard, the farm representatives have pointed out that they have never been involved in the pay talks under the three national programmes since 1987 and that these have always been left to be negotiated on directly by employer and trade union bodies.
- 4.30 In responding to the above objections, the organisations concerned have stated that what is envisaged is that their role would be analogous to that of the farming organisations.

## Summary and Conclusions

4.31 The differences, as outlined above, are hardly surprising on such a central and fundamental issue as to how the varied spectrum of organisations represented on the Forum perceive their own individual interests and how these are to be defended and advanced in a negotiating context. The debate within the Forum on the issues involved has, however, been useful in that there is now a greater understanding of the different standpoints by all the key players involved and has been successful in at least narrowing down the range of options which had existed at the beginning of this debate.

4.32 In summary, the differences now existing centre on the following;

- **Consultation Option:** this is seen by the Third Strand as an inadequate response;
- **Participation Option:** the Third Strand considers that this does not go far enough;
- **Negotiation Option** and variations involved: the Social Partners have pinpointed a number of practical difficulties with the first variant (viz. full involvement by some or all the *community platform* in non-pay issues);
- as regards the second variant (viz. full involvement by some or all of the *community platform* in **all** elements of the negotiations), the Social Partners have fundamental objections in principle to any such involvement on pay issues.

4.33 In conclusion, both employer and trade union bodies have fundamental objections in principle to any involvement by Third Strand organisations in the wage bargaining element of the negotiations. Moreover, the question also remains unresolved as to whether it might be possible through further discussions to achieve agreement on having the *community platform* more involved in the discussions on non-pay elements, given the interdependence and mutual interest of all the parties involved in resolving our economic and social problems and that a wider and more inclusive national consensus is likely to be more effective for this purpose. The Government would have a key pivotal role to play in this area as the convenor of any future negotiations.

4.34 Finally, there is unanimity within the Forum that the monitoring and review process for any new programme should be considerably strengthened. In this regard, particular emphasis has been put on having a broad-ranging mid-term review and mechanisms to ensure that Government commitments on non-pay issues are delivered on more effectively in the future. This process also needs to

be broadened to include representation by the *community platform*. In this regard, both employer and trade union organisations consider that the Forum's structure could provide a mechanism for the above purposes. However, some elements of the Third Strand would see difficulties with this approach.

**(ii) Development of Social Partnership**

- 4.35 In recent years, the partnership approach has emerged as a key theme in policy formulation, implementation procedures and the delivery of public services. A broad range of initiatives and structures are now in place at local (Partnership Companies, LEADER groups, County Enterprise Boards), regional (Regional Authorities and the EU Operational Committees for monitoring EU Structural Funds), national (NESF, NESC, CRC, Monitoring Committees for EU Structural Fund Operational Programmes, various Task Forces, etc.) and international levels (e.g. the developing Social Policy Forum in Brussels). These involve new sets of relationships between elected representatives, officials, trade unions, employers and the community and voluntary sector.
- 4.36 The timing, the source and the objectives of these various structures all vary and it is not possible to be sure that they are leading towards the formulation of an integrated and coherent approach. What is clear, however, is that these initiatives represent a significant shift from an over-centralised and bureaucratic structure towards a more devolved, participative and inclusive system of government. But there is a lack of clarity at times, with attendant risks of duplication and weaknesses in co-ordination, on the detailed operational roles of social partnership and its various institutions. In addition, concern has been expressed within the Forum's Strand One about the transfer of power from elected to unelected local representatives.
- 4.37 In the circumstances, there is a need to develop a *Framework for Partnership* which would establish key operational principles to underpin the partnership approach, identify proposals on how best it could be deepened and widened at national, regional, local and enterprise levels and take into account, inter alia, in this regard the recent OECD Report<sup>16</sup>, the Report of the Constitution Review Group and the Report of the Devolution Commission when this becomes available. The Forum will be returning to these important issues in the Autumn when it is due to consider its Work Programme for next year.
- 4.38 Finally, and on a related note, the Government is in any case committed to a review of the NESF, NESC and the CRC with a view to identifying the scope for alignment between the future roles and operations of these bodies.

<sup>16</sup> *Ireland: Local Partnerships and Social Innovation*, OECD, (May 1996).

# **Annexes**



# Annex 1

## Terms of Reference and Constitution of the Forum

1. The Terms of Reference of the National Economic and Social Forum are to develop economic and social policy initiatives, particularly initiatives to combat unemployment, and to contribute to the formation of a national consensus on social and economic matters.

The Forum will:-

- (i) Have a specific focus on:-
    - job creation and obstacles to employment growth;
    - long-term unemployment;
    - disadvantage;
    - equality and social justice in Irish society; and
    - policies and proposals in relation to these issues;
  - (ii) Make practical proposals on measures to meet these challenges;
  - (iii) Examine and make recommendations on other economic and social issues;
  - (iv) Review and monitor the implementation of the Forum's proposals and if necessary make further recommendations; and
  - (v) Examine and make recommendations on matters referred to it by Government.
2. The Forum may consider matters on its own initiative or at the request of Government.
  3. The Forum will work in two year cycles and will inform Government of its programme of work within three months of the beginning of each cycle.
  4. In drawing up its work programme, the Forum will take account of the role and functions of other bodies in the social and economic area such as NESC and the CRC to avoid duplication.
  5. The Forum may invite Ministers, Public Officials, Members of the Forum, and outside experts to make presentations and to assist the Forum in its work.
  6. The Forum will publish and submit all its reports to Government, to the Houses of the Oireachtas and to other Government Departments and bodies as may be appropriate.
  7. The Forum will be drawn from three broad strands. The first will represent the Government and the Oireachtas. The second will represent the traditional Social Partners. The third strand will be representative of groups traditionally outside the consultative process including women, the unemployed, the disadvantaged, people with a disability, youth, the elderly and environmental interests.
  8. The Forum will have an independent Chairperson appointed by Government.
  9. The term of office of members will be two years during which term members may nominate alternates. Casual vacancies will be filled by the nominating body or the Government as appropriate and members so appointed shall hold office until the expiry of the current term of office of all members. The size of the membership may be varied by the Government.
  10. The Forum is under the aegis of the Office of the Tánaiste and is funded through a Grant-in-Aid from that Office. This Grant-in-Aid is part of the overall estimate for the Office of the Tánaiste.

# Annex 2

## Membership of the Forum

<b>Independent Chairperson:</b>	Maureen Gaffney
<b>Government Representative:</b>	Eithne Fitzgerald, T.D., Minister of State at the Office of the Tánaiste and at the Department of Enterprise and Employment
<b>Chairpersons of the Standing Committees:</b>	Dr. Eileen Drew Professor Donal Dineen
<b>Oireachtas</b>	
<i>Fianna Fáil:</i>	Martin Cullen, T.D. Chris Flood, T.D. Tom Kitt, T.D. Senator Willie Farrell Senator Marian McGennis Senator Paschal Mooney
<i>Fine Gael:</i>	Alan Dukes, T.D. Frances Fitzgerald, T.D. Senator Bill Cotter Senator Madeleine Taylor-Quinn
<i>Labour:</i>	Joe Costello, T.D. Senator Mary Kelly
<i>Progressive Democrats:</i>	Senator Cathy Honan
<i>Technical Group:</i>	Kathleen Lynch, T.D.
<i>Independent Senators:</i>	Senator Mary Henry
<b>Social Partners</b>	
<i>Trade Unions:</i>	Paula Carey Charlie Lennon Patricia O'Donovan Manus O'Riordan Tom Wall

*Employer/Business Interests:*

Mirette Corboy  
David Croughan  
Declan Madden  
Aebhric McGibney  
Aileen O'Donoghue

*Agricultural/Farming  
Organisations:*

Mary Coleman  
Ciarán Dolan  
John McGee  
Monica Prendiville  
Michael Slattery

**“Third Strand”**

*Womens' Organisations:*

Ursula Barry  
Noreen Byrne  
Cris Mulvey

*Unemployed:*

Mike Allen  
Brendan Butler  
Jane Foley

*Disadvantaged:*

Niall Crowley  
Mary Daniel  
Eithne McNulty

*Youth:*

Gearóid O'Maoilmhichíl

*The Elderly:*

Breda Dunlea

*People with a Disability:*

Roger Acton

*Environmental Interests:*

Jeanne Meldon

*Academics:*

Fr. Seán Healy  
Monica McWilliams

**Secretariat**

Director:

Seán O'hÉigearthaigh

Secretaries of the Standing:

Committees:

Maeve Harold

Mary McKeon

Economist:

Maura Conneely

Executive/Secretarial:

Theresa Higgins

Liz Reason

# Annex 3

## Forum Publications

### (i) Forum Reports

Report No.	Title	Date
1.	<i>Negotiations on a Successor Agreement to the PESP</i>	November 1993
2.	<i>National Development Plan 1994-1999 – the proposed Local Development Programme</i>	November 1993
3.	<i>Commission on Social Welfare – Outstanding Recommendations</i>	January 1994
4.	<i>Ending Long-term Unemployment</i>	June 1994
5.	<i>Income Maintenance Strategies</i>	July 1994
6.	<i>Quality Delivery of Social Services</i>	February 1995
7.	<i>Jobs Potential of the Services Sector</i>	April 1995
8.	<i>First Periodic Report on the Work of the Forum</i>	May 1995
9.	<i>Jobs Potential of Work Sharing</i>	January 1996
10.	<i>Equality Proofing Issues</i>	February 1996

### (ii) Opinions

Opinion No. 1 (dated 7th March, 1995) on the *Interim Report of the Task Force on Long-term Unemployment*.

Opinion No. 2 (dated 29th January, 1996) on the development to-date of the *National Anti-Poverty Strategy*.

Opinion No. 3 (dated 7th May, 1966) on *Long-term Unemployment Initiatives*.