

Research seminar

- Mary Murphy - P.H.D CPA fellowship 2002-2005
- Political Economy of Irish Social Welfare Reform 1992-2002
- DCU - School of Law and Government, Supervisor Peadar Kirby (Sen Lect)
- Time frame – Oct 2002 – Oct 2005 (Jan 2006)

Presentation

- Background to research
- Theoretical framework
- Outline research objectives and methodologies
- Tentative conclusions and likely direction

Background

- Personal curiosity about changes in Irish income policy
- Interest in understanding how change is mediated in order to learn how to best influence the path of change
- Nature of Irish change, what and who drove Irish change
- Irelands status as worlds most global economy unexplored
- Starting point was the political economy of social welfare
- Polanyi - situating study of social welfare in a political economy approach – role of distribution (market), reciprocity (family/kin) and redistribution (state)

Most globalised country

- **A.T. Kearney Foreign Policy Globalisation Index**
- **Economic Integration**, trade, FDI, portfolio capital flows, investment income
- **Personal Contact**, travel, tourism, telephone, financial transfers
- **Technological connectivity**, internet users, hosts and secure services
- **Political engagement**, membership int orgs, engagement with UN security council, treaties ratified, government transfers

Literature review

- Interdisciplinary (politics, social policy & economics)
- International political economy - pressure of economic and political globalisation leading to competition state and significant welfare recalibration
- Political economy - endogenous pressures for recalibration are mediated by domestic institutions, path dependent and resilient welfare state
- Scharpf and Schmidt – whole debate frustrating; too general, too narrow, not mutually incompatible, evidence unreliable and inconclusive, sterile debate

Oh yes it does	Oh no it doesn't
Globalisation impacts in different ways in different types of welfare states and can impact negatively	Globalisation induces welfare compensation (Garrett)
Economic globalisation constrains states fiscal autonomy (Scarpf)	Globalisation is used by the state to justify retrenchment that would happen without globalisation (Hay)
Globalisation constrains state political autonomy and changes nature of state to competition state (Cerny)	A relatively positive type of policy convergence is likely (Jenson and St Martin)
Political globalisation transforms Keynesian hegemony to neo-liberal hegemony (Gill, Hay and Watson)	Other factors including demography and technological change are more powerful causal factors than globalisation (Esping Andersen)
End of welfare theory (Fukayma)	Political factors mediate impact of all causal forces including globalisation (Pierson)
Race to the bottom (Deacon)	States can manage openness in ways that are positive for welfare (Weiss)

Choice of theoretical framework

- Value judgement and personal choice
- Critical – open up debate and question consensus
- Useful in a practical sense – meaningful hypotheses
- Has all ready been applied in comparative work
- Can account for the clear role of the Irish state and its changing relationship with the international political economy-crucial for a small open economy like Ireland .

Developing the framework

- Philip Cerny, Guy Standing, Jens Alber , Bob Jessop, Jan Torping – all have common features and hypotheses - come from different intellectual traditions - role of political discourse in change
 - Change is politically constructed, there is a shift in governance and the presence of new transnational policy elite.
 - Increased capital mobility sets the context for political discourse (pander to globally mobile capital)

Competition state theory

Social policy is subordinated to the needs of the economy. Redistributive welfare rights take second place to a productivist reordering of social policy recalibrated to meet present and future economic needs.

Competition State Hypotheses

- **The context for domestic welfare and social security policy making is international competitiveness which requires low tax and wage moderation.**
- **Tax constraints increase pressure for cuts in public sector spending and limit capacity to fund social security.**

Competition state theory

- **Refocusing on micro level supply side interventions;deregulation/reregulation; promotion of permanent innovation, flexibility and knowledge based economy.**
- **Public investment focuses on projects which enhance capital or create flexible labour markets (enterprise innovation, learning and training).**

Competition State Theory

- Public goods (especially those related to social justice and redistribution) are increasingly commodified, privatised and/or organised around profit criteria.
- Distribution of public goods becomes more consumer driven and less citizenship rights orientated.

Competition State Theory

- **Shifts from universal to selective and targeted social protection spending in order to adapt and modify their labour systems to be more competitive and to enable future cost reductions.**
- **Residualisation causes new and multiple forms of inequality with the weakest (non labour market) suffering most from adaptation.**

Competition State theory

- Welfare is more contingent and productivist
- More active provision - trampoline not safety net
- Rights more conditional and linked to obligations
- Labour market activation – offensive or defensive (the latter causing more in work poor)
- More employed, wages a greater proportion of compensation

Gender and competition state theory

- Sadly lacking
- The economic model is driven by a low tax and high employment participation
- Increases in women's labour market participation
- Impacts on capacity of family to provide traditional welfare function
- Commodification and monetarisation of care

Applying the theory

- Intention to use the hypotheses to analyse Irish social security change. Assume, given our level of globalisation, strong pressure for change.

Key Research Question

- Has Ireland experienced the type of change suggested in competition state hypotheses; if not why not.

Research Aims

- A critical case study of Irish social security reform over the decade 1992- 2002 set in the broader context of the Irish globalised political economy.
- Using competition state theory as basic framework
- Emphasis on political construction of change and analysis of the role of interests and institutions in the determination of outcomes
- What has changed (or not changed), how and why it has changed (or not changed)

Research Objectives - WHAT

To understand what has changed about Irish social security we need to assess the extent of commodification or familisation in policy/practice

- Rescore GEA's work on commodification using data gathered by Allen and Scruggs and Pitruzello
- Developed method to measure commodification and familisation (eligibility, duration, generosity, access, takeup, conditionality, individualisation, childcare)
- Qualitative assessment of how people feel (ideas welcome)

Research Objectives - HOW

To understand how change has been mediated and/or politically constructed

- Map policy community and policy network, identify key institution and interests and understand the dynamic between key policy actors and institutions
- Identify where ideas enter the policy community or are blocked from progressing, how agendas are managed and processed and how decisions are made
- Distinguish between types of discourse - co-ordinative and technical problem solving or communicative discourse leading to social value change

Research Objective - WHY

To understand why specific changes did or did not happen and what drove certain trajectories

- To identify any change caused by economic global pressures or political global pressures
- To identify other endogenous drivers for change
- To identify the degree to which domestic political factors can explain specific decisions/non decisions

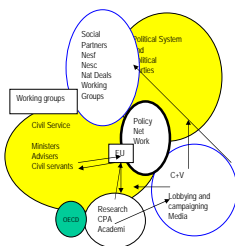
Methods

- Four methods presented as a case study
- 1. Elite interviews with 20 policy community actors to understand the policy system, identify key changes, gain insight into politics of reform
- 2. Quantitative analysis of commodification,
- 3. Qualitative assessment peoples experience
- 4. Analysis of key documentation

Progress to date

- 17 interviews taped, transcribed and analysed and document analysis (ongoing)
- Quantitative data gathered but not analysed
- Framework for recording data and analysis
- Six major themes, incentives/generosity, conditionality/activation, child income support, gender, equality, pensions, modernisation (needs to be reduced)
- Who and where decisions were debated and made, context and type of discourse, international influences

Irish Social Security Policy Community and Policy Network



Policy community

- Stable, male, middle aged and catholic educated
- Weak in resources and policy capacity, resources vary
- Calibre of civil service noted by all
- Social partnership dominate but do no drive reform
- Geared towards technical experts, little social discourse
- Little academic influence, role of ESRI, consultancies
- Tension between departments, little integration
- Mismatch between those learning and doing
- Insular but EU, OECD and "Six" network are influential

Policy decision	Where	Who	How	Discourse	Motivation	International influence
Adequacy/ Incentives	CSW, TWGS BIO, NAPS	Experts SP's Civil	Technical WG	Co-ordinative Technical	To maintain incentives to work while addressing the political demand for adequacy	OECD NAPSnet EU delors
Conditionality & Activation	NEEF, LES Public	SP's Media Npo's	WG Media	Technical Co-ordinative	To ensure unemployed take up employment	OECD
Women & Care	P2000 Individualisation Cohabitation	SP's (wide) SP's Experts	WG Committee Expert group	Technical	To meet economic need for greater workforce while protecting women in the family	60% NEAP target Beijing EU equality directives
Child Income Support	TWGS LIR BIG	CPA Experts SP's	Expert group	Technical OYETCP making a Co-ordinative	To maintain work incentives and tackle consistent poverty	Little
Pension Reform	Pensions Board NPE	Experts Industry	Technical	Technical	To anticipate future costs To achieve greater coverage	World Bank
Equality	EA NEEF	Civil S SP's	Legislation Discourse	Co-ordinative	To enhance equality in a legislative framework	EU Beijing
Modernisation & misc	SMI CAG TU's	TU's Civil S	Internal dialogue	Consultative	To modernise and achieve efficiencies	Public Mgt discourse

Tentative conclusions - what

- Broad thrust of competition state theory hypotheses holds
- However given level of globalisation less change than anticipated
- Little major structural change but change in focus and delivery
- Definite shift at implementation level towards activist or productivist agenda
- Limited conditionality, soft approach, weakly offensive and barely active
- Shift to residualism not evident but outcome of greater inequality still evident
- Discourse around gender and employment/care very ambiguous, care increasingly commodified

Tentative conclusions - global economic and political influences

- Context of globalisation sets political tone of debate and low tax agenda
- EU social inclusion discourse dominates and increasing in influence
- English speaking six countries and economic relationship with US seen as key
- OECD some influence, ILO/SSIA none, World Bank and IMF limited, different departments look to different institutions
- Some evidence of growing transnational policy network/ policy elite but few domestic organisations influenced by international counterparts
- International work used to justify domestic policy but does not necessarily influence domestic policy.

Tentative conclusions

- Politics matters – influence of different political parties is evident
- Civil service matters, different cultures and values in different departments
- Influence of social partnership is evident but exaggerated
- Influence of C+V weak relative to broader political opinion and political clinics
- Irish political culture resistant to change
- Policy mediated in technical discourse - incremental change
- Consistent with a conservative clientalistic populist political culture. Large number of institutional vetos; non ideological parties, coalition governments, PR and social partnership

WELFARE	High	Low
WORKFARE		
High	Nordic	UK, US
Low		Ireland

Recommendations

- Irish welfare reform "softer" than other liberal English speaking welfare states but less ambitious than some other OECD models
- Political culture resists more radical reform choices - is this a good thing or bad thing .
- On one hand little need for reform - economic growth minimised an already small welfare state - no great problems or pathologies to fix – no great demand for reform
- On other hand real problems of inequality and low participation
- Pressures for change exist but little ambition about maximising social welfare potential to contribute to national wellbeing
- Welfare is safety net rather part of social system of production