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**Social partnership and local
development in Ireland:
The limits to deliberation**

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Preface

The Discussion Paper presented here shares several features with the previous (No. 155, “Partnerships for Development: Studies on Territorial Employment Pacts in Italy” by Ludovica Gambaro, Simona Milio and Marco Simoni). Like the previous, this paper examines the building of local-level partnerships involving cooperative networks of public and social actors. This time the analysis concerns Ireland, a country whose experiments in local partnership are considered to be especially successful and innovative. Similar to the previous, the paper asks whether the claims articulated in some recent literature – that local partnerships increase both the efficiency of public service delivery and the empowered participation of citizens in democratic affairs – stand the test of close empirical scrutiny.

The paper takes at times a sceptical tone. While this reaction is to be expected of any empirical investigation aimed at gauging the distance between a normative blueprint and its concrete realizations, scepticism appears a healthy attitude in this particular case, given the tendency (of both academic and policy discourses) to produce idealized descriptions of developments and overstated accounts of achievements. The authors refer to this phenomenon of collective enthusiasm as “community fetishism.”

Essentially, the authors argue, the Irish local partnerships have several things to show. They have directly benefited a number of socially excluded people and contributed to establish better linkages between the policies and choices of the public administration and the needs of communities. Public bureaucracies have become more responsive as a result of their participation in private-public networks. However, we do not know how performing the new structures really are, especially in comparison with alternative channels. Despite a lot of talk about monitoring, reliable and comparable assessments are not available. At any rate, the effects appear of small magnitude compared with total labour market outcomes.

Also, the partnerships can hardly be seen as promoting more participatory and deliberative forms of local democracy. It is clear that new epistemic communities, involving not just bureaucrats and politicians, but also community leaders, are being created through the pacts. However, the building of these communities rarely leads to greater grassroots participation. Overall, government maintains a firm control over the projects and activities that get implemented through the partnerships. Civil society organizations do not seem to have the power, capacity, or willingness to frame policy issues in innovative ways. What partnerships are clearly successful at is creating a new class of social entrepreneurs at local level, whose role is that of activating and accessing multiple sources of funding for their constituencies. It is unclear whether the policy preferences of these new community leaders always coincide with those of their constituencies.

In other words, it cannot just be assumed that local partnerships are democratic by design and that the policies they produce always correspond to the preferences of the populace. For this reason, the authors advocate the introduction in Ireland of more explicit institutional linkages between the partnerships and representative institutions at local level.

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Introduction

One interpretation of the Irish model of social partnership is that it represents a 'post-corporatist' method of economic and social governance (see O'Donnell & O'Riordan, 2000; O'Donnell & Thomas, 2002). No exact definition is provided for this concept, but it seeks to capture three developments that are considered pioneering about Irish social partnership. The first claimed innovation is that the Irish model stands apart from corporatist arrangements of the past as it involves not only trade unions and employer associations, but also a wide range of civic associations in the formation of national social agreements. A second new departure is that the social partners use deliberation as much as bargaining to conclude deals. Deliberation is regarded as a novel feature as it introduces new forms of decision-making into the policy-making process. Traditionally, corporatist deals have involved government committing itself to particular social and economic programmes to compensate trade unions for delivering wage restraint. These *quid pro quo* deals invariably involved government agencies devising, implementing, and monitoring initiatives. Using deliberation, it is argued, has changed this type of policy-making. Under the new regime stakeholders with a direct interest in the matter at hand are involved in all stages of the policy process. A third distinctive feature is that the social agreements are no longer centralised in character. A decentralised dimension has been developed so that civic associations, which operate on the ground and have deeper knowledge, expertise and experience of an identified problem than civil servants can be mobilised to help design a superior local solution.

Although an attractive argument, the 'post' corporatist thesis is open to criticism on a number of fronts. Those steeped in the industrial relations tradition would no doubt object to the depiction of previous corporatist arrangements as being without a problem-solving or deliberative dimension. In the course of time this and related criticisms are likely to be aired fully. But as things stand the main weakness of the thesis is that it has been put forward in the absence of strong supporting evidence. Thus the purpose of this paper is to test the 'post-corporatist' thesis by assessing aspects of the local dimension that have emerged to the Irish model of social partnership. The analysis focuses on two programmes in particular, the Area Development Management (ADM) initiative, which created a wide number of area partnerships, and the Social Economy Programme, which was established by the national social partnership agreement, The Programme for Prosperity and Fairness, which ran from 2000-2002. These two programmes were selected as both were set up to address the matter of social exclusion by developing local economic and employment projects. If social partnership is to take root at the local level in Ireland it is by fostering initiatives of this kind. Thus an assessment of these two programmes should provide hard evidence of the extent to which social partnership has moved beyond the national level and opened up a local dimension.

The paper is organised in three parts. Part one describes the main institutional characteristics of the Irish model of social partnership and outlines the meaning of deliberative governance in the context of social partnership at the local level. Part two, the empirical body of the paper, focuses on two Government sponsored programmes – the Area Development Management scheme (ADM) and the Social Economy Programme. The main features of the two programmes are explained and an assessment is made of the performance of each initiative in national terms. In addition, the performance of each programme at the local level is also considered by examining the activities of local partnership in contrasting urban settings, Limerick and Dundalk. Local partnerships were the arrangements used to enact the various projects spawned by the two programmes on the ground. The third part of the paper discusses the benefits and limits to these local partnerships. We particularly address the question: has the opening up of a local dimension to social partnership led to the introduction of a form of

‘empowered local democracy’? The conclusion that emerges is rather level headed: local partnership arrangements have produced benefits but it would be misleading to claim that these herald a new departure in the character of local democracy in Ireland.

1. The Irish model of social partnership

The Irish model of social partnership departs in a number of ways from more traditional corporatist procedures to govern the labour market. One institutional difference is that a wider group of participants are involved in the social partnership framework. Whereas traditional corporatist arrangements usually consist of representatives from trade unions, employers and government, the Irish system of social partnership also incorporates civil associations that articulate the interests of the voluntary and community sectors as well as the farming sector. In practice this broader membership base changes the negotiating procedures used to conclude national social agreements. Corporatist deal making normally involves tripartite negotiations between union, employers and government but the Irish model is a ‘four room’ negotiating procedure.

The main employer and trade union organisations - ICTU and IBEC - constitute one room as they negotiate the pay components of the agreement. The business room is made up of employer organisations such as the Small Firms Association and the Chambers of Commerce of Ireland not involved in the pay negotiations. The farming room consists of the representatives of the agricultural community. The community room is made up of a variety of groups that represent the voluntary and community sectors. The negotiating process starts with an open session where the participants set out the matters that they wish to see covered in an agreement. Then a multitude of bi-laterals are held involving the different rooms on different subjects. The Department of the Taoiseach holds together this complex and fast-moving chain of negotiations. It is also responsible for turning the variety of individual deals that are made into a coherent document that is the basis of the envisaged social partnership agreement.

The social partnership agreements that have been concluded are best described as ‘hub and spokes’ deals (see Teague & Donaghey, 2004). The hub is the pay settlement for private and public sector workers and in many ways reflects the key institutional features of pay determination under traditional corporatism. Thus the pay deal usually follows the classical formula whereby wage moderation on the part of trade unions is exchanged for Government commitments on taxation and public expenditure. Irish social partners do not have institutional characteristics such as ‘encompassingness’ that are usually associated with corporatist forms of interest intermediation. Nevertheless, the social partners are obliged to police the agreement inside their own constituency and by and large this has been done successfully – wage drift from the pay awards established by the numerous national agreements has been small (see Teague & Donaghey, 2004 and Baccaro & Simoni, 2003).

The ‘spokes’ element of the national agreements relate to the deals that have been brokered on themes that augment the central pay agreement and covers matters such as social partnership at enterprise level and public policies for social inclusion, rural development and so on. These deals are considered to have made Irish social partnership stand apart from ‘old style’ north European corporatist arrangements in several important respects. First of all, the spokes element has shifted the national agreements away from the narrow matter of wage regulation to the broader theme of social inclusion. In addition, it has made Irish public policy making less bureaucratic and ‘opened up’ to inputs from civil associations. In the past, the usual practice was for some part of the public bureaucracy to enact commitments made by government to cement the wage agreement between employers and trade unions: the corporatist *quid pro quo* was internalised within the government machinery.

The claim is that the Irish system has sought to allow the social partners as well as civic

associations to have greater influence on the formation, delivery and evaluation of social and economic policies (O'Donnell and Thomas 1998). In institutional terms, this led to a number of new departures. First of all, specialised working groups were set-up to develop policies or at least make recommendations for action on particular themes. Thus, for example, the national agreement known as the Programme for Prosperity and Fairness established 56 working groups to agenda set on matters such as pensions and transport. In addition, various departments of government committed themselves to introducing organisational reform that would decentralise policy implementation in a manner that would permit civil associations a role in the process at the local level. It is this local dimension that is particularly interesting as it potentially makes the agreements less centralised and on paper more accommodating to new ways of designing and delivering social and economic programmes (Baccaro 2002).

2. Social partnership, decentralization and deliberative democracy

A Government document published in 2000 gives an insight into official thinking about the organising principles that should influence the design of deliberative policy-making institutions at the local level. The vision it sets out is for 'a facilitative and enabling framework which promotes the growth of civil society'. It requires the development of an enabling and open State which is engaged in dialogue and partnership and which allows bottom-up responses to emerge from voluntary organisations and community groups (Government of Ireland 2000a: 42). The framework established bears some resemblance to the model of deliberative governance developed by Fung and Wright (2003). This model has three important design properties. The first is delegation. Public policy decision-making is envisaged happening at the local level as it would permit communities most directly affected by an initiative to influence the character of any established projects. Giving communities such a voice would not only be a step towards 'decentralised empowered governance' but would also release useful information about the 'absorptive capacity' of particular areas to sustain a particular programme.

The second design principle is centralised supervision and coordination. Local decision-making bodies are not seen as autonomous but are continually monitored and to some degree held accountable to a centralised forum that invariably includes government officials and departments. The purpose of the national policy framework is not to act in a command-and-control manner but to promote a form of coordinated decentralisation. In practice, this means that the national centre financially supervises the activities of the decentralised body, helps solve any identified problems that are considered beyond the reach of local communities, and evaluates performance to learn from the successes (and failures) arising from various programmes.

The third principle can be called transformation through pragmatic action. Fung and Wright suggest that local programmes should focus on practical action to build sustainable and worthwhile initiatives of disadvantaged individuals and communities. Participation for the sake of participation is shunned, as such schemes are considered unsustainable even in the medium term. At the same time, the hope is that pragmatic action will create a greater sense of empowerment in local areas, thereby encouraging further schemes aimed at improving neighbourhoods and deepening civic association participation in policy decision-making at the decentralised level.

On paper, deliberation is an attractive model of decision-making as it seeks to use evidence-based argument and reasonable behaviour to reach agreements (Elster 1998). The emphasis is on using persuasion to change preferences and build policy consensus. In practice, evidence of pure deliberation is hard to establish. Deliberation also holds many challenges for civic associations. Many of these groups have their origins in campaigning and mobilising

activities. Deliberative policy-making requires them to moderate this role. They have to be able to articulate well-informed opinions inside a variety of bodies (Osterman, 2002). Moreover, the emphasis is on people behaving reasonably and being open to modifying their preferences as a result of persuasive evidence-based arguments. In short, deliberation is about different stakeholders reaching compromises by reconciling their viewpoint with other alternative, even competing, positions. These organising principles of deliberative democracy place big demands on civic associations. For example, do they have the internal capacity to formulate high quality and detailed positions that advance the solutions to policy problems? Or how do they ensure that the views that are articulated reflect the views of the constituencies they seek to represent. Thus to participate in deliberative policy-making in a meaningful way requires civil associations to have a range of competences, some of which are outlined in the table below.

Table 1: Competences

<i>Knowledge/Learning Competences</i>	<i>Advocacy/Entrepreneurial Competences</i>	<i>Organisational Competences</i>
Routine knowledge resources	Ability to mobilise members	Financial and staffing resources
Internal capacity-building activities	Ability to agenda-set	Membership base
Internal 'epistemic' assets	Ability to organise external alliances	Organisational and decision-making structure
Ability to monitor internally and externally	Ability to promote wider understanding of issues	Internal communication and policy-making
Ability to diffuse best practice ideas	Balance between deliberation/mobilisation activities	Ability to promote organisational identity and culture

So much for the theory of deliberation and the consequences of this approach to democratic decision-making for civil associations, but an important contextual point that must be kept in mind when discussing the adoption of this approach in Ireland is the relative underdevelopment of what Marquand (2004) calls the public realm in Ireland. For Marquand, the public realm consists of the vast range of publicly sponsored institutions and provisions established to regulate markets, build social safety nets or advance democratic decision making. Two aspects of the public realm are underdeveloped in Ireland. First of all, unlike a lot of other north European countries, Ireland never developed a fully-fashioned welfare state (see O'Connor, 2003). Social provision focused on creating a high calibre education system and a sufficient stock of affordable public housing. Other services falling outside these two priorities, health care provision, for example, have not been funded to the same extent.

Another feature of the public realm in Ireland is the relatively weak policy status of local representative democratic institutions. Local councils exist at the county and urban levels but traditionally these have had few significant policy competences (see Chubb, 1992 and Callanan, 2004). The rather narrow functioning of local government structures in Ireland meant that local social partnerships were being promoted in the absence of any strongly decentralised democratic structures. This context sets Ireland apart from the wider academic literature on this topic. On the one hand, the critical accounts that are emerging which argue that local governments in many countries are cynically transferring functions and responsibilities for the delivery of

certain services to social partnerships in an effort to cutback on public expenditure are not fully applicable to the Irish case – the local authorities have had few functions to transfer. On the other hand, the more upbeat commentaries on local partnership which stress these arrangements offer an opportunity for new coalitions to be created between local councils and communities to advance participation and economic and social empowerment appears not to be fully relevant: it is hardly possible to form coalitions of any substance when the local authorities have few policy-making powers. The best that can be said about the Irish situation from this standpoint is that the limited role of local councils in social and economic affairs offers greater opportunity for local social partnership to develop a meaningful role. But the key point is that any assessment of the Irish experience of local partnership must be sensitive to the relatively underdeveloped character of the formal political realm in Ireland.

Although the public realm in Ireland may be weak, it would be misleading to suggest that the country is without a history of local community and economic development. Throughout this century, for example, credit unions have played a very active role in many local areas, providing low-income families access to cheap loans, thereby rescuing them from the merciless grip of loan sharks. For the most part it was the Catholic Church and many of its off-spring community organizations such as St Vincent de Paul which were behind the Credit Union movement. Religious groups also played an active role in developing community development projects and in encouraging social capital type activities in local areas. Thus there has long been a decentralised element to Irish politics focused on the alleviation of poverty (see Walsh, 1998).

3. Social partnership at the local level in Ireland

Local partnerships and Area Development Management (ADM)

One of the earliest networks to emerge was the Area Development Management (ADM) initiative. This pilot programme, established in 1992, created twelve area-based (non-profit) companies with the responsibility of co-ordinating the activities of state agencies aimed at local disadvantaged groups. The mission statement of ADM stated that the aim of the organisation was ‘to support integrated local economic and social development through managing Programmes targeted at countering disadvantage and exclusion, and promoting reconciliation and equality’. Thus the local partnerships set up under the Area Development Programme had a wide remit. But in essence they were given three core responsibilities: (1) help the long-termed unemployed back into the job markets; (2) assist prospective entrepreneurs (particularly those from a low income background) establish a business; (3) support more traditional community development projects, especially for particularly vulnerable groups.

The organisational structure of each area partnership was designed along partnership principles. Thus members of the various partnership boards consisted of representatives from community interests, public agencies and the traditional social partners. Each sector was given equal representation and decisions are made by consensus with a strong emphasis on voluntary agreement and shared commitment. A national partnership board was set-up to co-ordinate the local partnership companies and to allocate and monitor their funding. Turok (2001:5) describes ADM as ‘a fairly loosely-defined experiment in area-based initiatives, with a prime concern for unemployment set in the broader context of economic and social development’.

The National Development Plan (NDP) 1994-1999 mainstreamed this pilot programme. As a result area-based partnerships were extended across the country. The extension and consolidation of the programme was due in no small part to the EU funded Community Support Framework (CSF). One of the CSF’s nine Operational Programmes was Local Urban and Rural Development (OPLURD). The main objective of the programme was ‘to counter disadvantage through support for communities which make a collective effort to maximise the development potential of their areas’. Mainstreaming the pilot programme ensured that Ireland met the

funding criteria of OPLURD. Thus by the mid-1990's 38 local partnership companies (20 in urban areas and 18 in rural areas) plus 33 community groups had been established in the country.¹

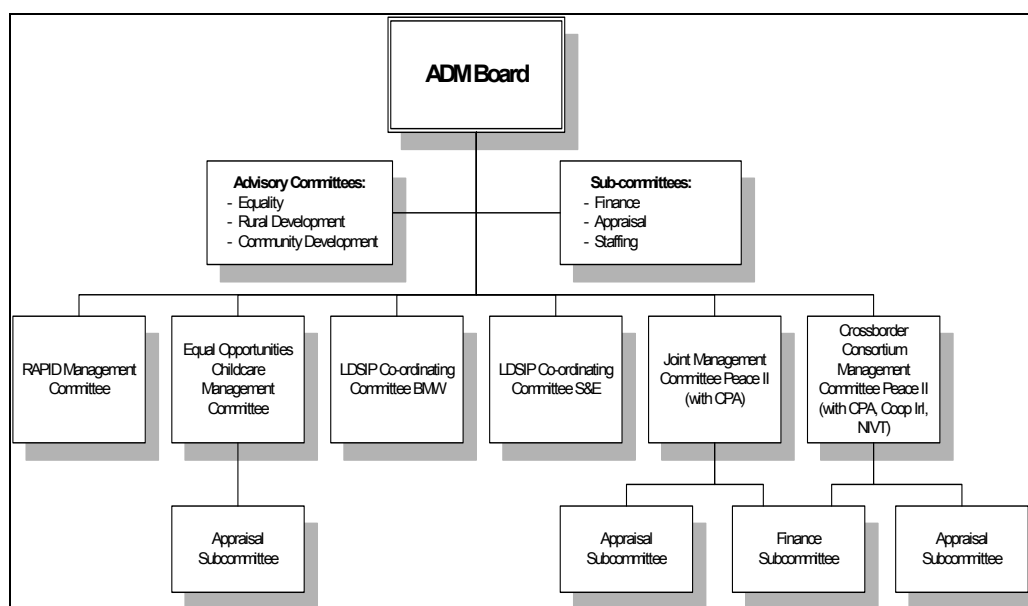
Although the various partnerships are nominally tied together in a networked structure and are supervised by a national partnership board each locality in practice enjoys a fair degree of autonomy. At the start the formal links envisaged between the partnerships and local government structures were weak. But this link was strengthened in 1999 when the local partnerships were required to include local elected councillors on their boards instead of being represented by officials. Some studies suggest that politicians at the local level have been angered by their restricted input into the local partnerships (see Walsh, 1998; OECD, 1996). A frequent line of criticism is that the bypassing of local government has led to the new local partnerships lacking public accountability and not being open to public scrutiny. In a nutshell area partnerships lack democratic legitimacy.

In terms of funding, OPLURD allocated IR£80 million to the 38 partnerships for the 1994-1999 period. Each partnership received a budget for the whole period of between IR£1 million and IR£4 million to cover core staff, administration and the revenue costs of selected projects and services to be provided directly.² The budget of each local partnership was approved on the basis of a strategic plan submitted to the central partnership board of ADM. The strategic plan was obliged to outline the shared vision of the partnership and describe how it planned to meet the needs of disadvantaged groups in the local community. The preparation of plans required wide consultation with local groups representing the needs of the poor and unemployed. There was also a strong emphasis on finding new and more effective means of tackling problems. The partnership funds were deliberately flexible to encourage experimentation and innovation.

ADM has a 15 member Board of Directors. Board members include representatives of the local partnerships, Irish Congress of Trade Unions (ICTU), Irish Business Employers Confederation (IBEC), specific projects/interests and the Department of Justice, Equality and Law Reform. The Board meets on a monthly basis although much of its work is carried out by a number of sub-committees, advisory committees, management committees, etc. The committee structure of ADM is set out in figure 1.

¹ The 38 partnerships cover roughly half of the territory of Ireland, including deprived areas within Dublin, smaller towns and their hinterlands, and rural counties. Details of the partnerships can be found at www.adm.ie.

² The 38 partnership companies employ approximately 700 people, each one employing between 5 and 10 core staff in addition to a similar number of project staff and secondees engaged in specific activities.

Figure 1: Committee Structure of ADM

The Board is represented on all sub-structures and regular reports from each sub-structure are passed to the Board. In terms of activity, an important function of area partnerships is managing a number of ‘tackling social exclusion’ programmes including Equal Opportunities Childcare Programme (EOCP), Local Development Social Inclusion Programme (LDSIP), RAPID (Revitalising Areas by Planning, Investment and Development), Rural Transport Initiative (RTI), Peace II and the Taxi Hardship Payment Scheme. More detailed information on these programmes and the type of individual schemes that they promote is provided in Boxes 1 and 2.

Box 1: Operational programmes managed by ADM

Equal Opportunities Childcare Project (EOCP) is to enable parents to avail of training, education and employment opportunities through the provision of quality childcare supports. The principal objectives of the EOCP are to improve the quality of childcare in Ireland; to increase the number of childcare facilities and childcare places; and to introduce a co-ordinated approach to the delivery of childcare services. For the period, 2000–2003 the programme was allocated €176.5 million.

Local Development Social Inclusion Programme (LDSIP) is an NDP programme aimed specifically at addressing social inclusion issues at a local level. The LDSIP involves the provision of funding to Partnerships, Community Groups and Employment Pacts ‘that adopt a partnership approach to tackling local issues on the basis of comprehensive, integrated local action plans designed to counter exclusion’. The LDSIP specifically targets disadvantaged groups including travellers, disabled, lone parents, older people, ethnic minorities and young people at risk. The principle means of achieving the objectives of LDSIP is via actions supporting services for the unemployed, community development and community based youth initiatives. For 2000–2006, the LDSIP Programme has been allocated €279.34 million.

Revitalising Areas by Planning, Investment & Development Programme (RAPID) has three key objectives: (1) to develop a specific integrated policy focus across the Social Inclusion Measures identified in the NDP, directed at the social groups who are excluded, especially where cumulative disadvantage is pervasive; (2) to tackle in particular the spatial concentration of unemployment,

poverty and social exclusion within the 25 identified designated disadvantaged areas; (3) to stem the social and economic costs of social exclusion by developing a range of integrated measures.

Rural Transport Initiative is funded by the Department of Transport under the 2000-2006 National Development Plan. The aim of the initiative is 'to support the development of pilot community based public transport projects in rural areas with a view to addressing the issue of social exclusion in rural Ireland, which is caused by the lack of access to transport'. The initiative is primarily targeted at those living in rural areas and specifically involves developing new models of transport provision, which are innovative and responsive to local rural needs, and doing so in partnership with local stakeholders.

PEACE II is an EU Structural Funds Programme which builds on the achievements of PEACE I, promotes reconciliation and reinforces progress towards a peaceful and stable society. ADM and the Combat Poverty Agency (CPA) have joint responsibility for managing €92.6 million of which 59% falls under measures for which ADM have direct responsibility. ADM reports to the Department of Community, Rural & Gaeltacht Affairs and to the Special EU Programmes Body. The programme has two specific objectives, namely addressing the legacy of conflict and taking opportunities arising from peace. The programme is targeted at the six southern border counties of Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo and specifically at those groups, sectors and areas which have been most affected by the conflict. The priority areas for which ADM (and CPA) have responsibility are economic renewal; social integration, inclusion and reconciliation; and cross-border co-operation.

In managing these programmes, the organisation is informed by a series of guiding principles which are applied to delivering the programmes for which it is responsible. In broad terms, whatever the character of the specific programme, the aim must be to alleviate social exclusion and disadvantage and provide individuals and communities with opportunities for social and economic advancement.³ Most of the 120 staff employed at ADM headquarters in Dublin work on these various programmes.

No formal relationship was established between ADM and the government. Therefore unlike arrangements for other semi-state agencies, the government was devoid of any *powers of appointment* to the Board of Directors. This lack of accountability was mainly due to the absence of a legislative context for ADM's relationship with government. Most state agencies are established via legislation, which sets out the specific roles of government and the agency. In practice, an *ad hoc* relationship was established between ADM and the government whereby agreements between the two are established by an informal exchange of letters. Given the grant-giving remit of ADM and considering all funding emanates from the Exchequer and the EU, such a situation is unorthodox. Recently, the government moved to put the relationship on a more formal footing by deciding that political representatives most sit on ADM's Board of Directors.

³ The guiding principles include the following: 1) targeting disadvantage requires a detailed understanding of the needs of the people who live in an area, specifically those who are marginalised and long-term unemployed; 2) participation and inclusion of these target groups in collective decision making generates ownership of and responsibility for the decisions which are made and ensures that such decisions are relevant to their needs; 3) improving the economic independence of participants is an essential part of the process of effective local development; 4) focus on equality and equality of outcome; 5) multi-sectoral approach towards identifying and addressing the needs of local communities requires full participation from the state, social partners, community and voluntary sectors and enhances strategic planning; 6) partnership at local level between community sector, social partners and state agencies increases co-operation, co-ordination and effective decision-making; 7) strategic planning promotes best use and targeting of state, private and community resources; 8) reconciliation is promoted through joint participation by communities; 9) transparency, openness and accountability; 10) mainstreaming of successful innovative activities developed by partnerships and community groups is essential to the success of the programmes.

Box 2: Examples of Projects set up by ADM Programmes

Equal Opportunities Childcare Project (EOCP)

Annacotty Industrial Park Day Nursery/Montessori School – Limerick City: An EOCP capital grant supported the purchase of fixtures and fittings for a new purpose built facility on an industrial estate on the outskirts of Limerick City. This part of Limerick is located in an area of growing industrial development where many employers are experiencing difficulty in recruiting staff due to poor childcare facilities. The new purpose built facility provides 75 full-time places for children aged 3 months to 6 years. Pre-school and after school services are also provided.

National Co-op Farm Relief Services Ltd (NCFRS) is a not for profit group supporting a childminder network in rural areas. The EOCP first supported the organisation in 2000 by allocating a grant for the employment of a Co-ordinator and a proportion of the development costs for the childminder network. The service was originally set up in Tipperary but has since been expanded to North Cork and East Limerick with the help of further funding in 2002. The main focus of the childminder network service is to address the limited supply of childcare provision in rural areas and the needs of farm families to support their income through additional employment. Among the services pioneered by NCFRS to support rural childcare needs is a childcare training service; childcare recruitment service; family day care network; and event childcare services.

Local Development Social Inclusion Programme (LDSIP)

Sligo Traveller Women's Project: The LDSIP programme aims to provide vital educational and positive employment opportunities for Traveller women in the Sligo area. The project delivers a 20-hour direct training programme to 36 Traveller women aged between 15 and 60. Two Training Co-ordinators organise the training programme on a day-to-day basis while tutors are contracted to deliver specific modules. The training modules cover a range of subjects including literacy and numeracy, computer skills, personal development, cookery, crafts and health.

Cando – Tackling Integration through Teamwork: Cando manages the LDSIP in County Carlow. Cando was instrumental in the creation of the Corinthians Football Club. The club has 40 members, both nationals and non-nationals, and participates in the Carlow and District League. This project effectively used sport as a medium to work with different groups, build teamwork skills, break down barriers and help people to settle into the local community.

RAPID (Revitalising Areas by Planning, Investment & Development)

In *Blanchardstown*, the RAPID Implementation Team has supported and facilitated the creation of a local community centre which was identified as a key gap in community infrastructure. The Blanchardstown team also co-ordinates a range of projects targeted at specific groups, for example, the Mulhuddart/Corduff Community Drugs Team, Traveller Support Group and the Local Employment Service.

In *Ballinasloe*, the local RAPID team is central to monitoring the implementation of a local action plan to combat significant job losses in the region in recent years.

In *Wexford*, the primary principle guiding the actions of the local RAPID team is community participation. RAPID thus aims to allow local people to have a say in the decision-making process regarding service provision to meet local needs. Community structures have been established and managed by RAPID to encourage residents to become involved and active.

Rural Transport Initiative

Offaly Kildare Rural Transport Limited is an example of one of the 34 RTI projects. With funding from RTI and the Fás Social Economy Programme, OK BUS was formed. The company is based in Edenderry and operates six transport services employing 5 staff. Over 70 people use these services every week to access basic essential services, shopping and other activities. Feedback from passengers has been overwhelmingly positive. The service has been extended and further developed since 2003 and plans exist to enhance the service by negotiating access to buses held by local community groups including Barnardos and Kare.

4. Overall performance of the ADM initiative

The performance of the ADM programme has not been extensively investigated, but the view of Government and the Social Partners is that it has performed satisfactorily. On the positive side the national office of the programme appears to operate in a pretty cost-effective way as it has succeeded in keeping the central administrative costs associated with running individual programmes to about 7 per cent of the total budget. Focus groups held by some evaluations suggest that those directly involved in implementing the programmes on the ground, full-time development workers, community groups, other public agencies and volunteers, are satisfied with the services provided by the national office. The financial control and planning systems operated by the ADM central office are regarded as high quality.

On the negative side, a number of criticisms have been levied against ADM. First of all, and perhaps most seriously, is that the initiative could be made more democratically accountable. The organisation lacks formal connections with the institutions of representative democracy either at a national or local level while members of some of the organisations that receive funding are also members of the Board of ADM. Thus not only are the customary democratic checks and balances associated with such programmes absent, but practices have been followed which potentially could raise conflict of interest matters. This is a fairly serious shortcoming given that the total budget handled by ADM in 2002 was approximately Euro 90 million. A second criticism is that the project appraisal of particular initiatives could have been more rigorous, particularly in terms of teasing out the deadweight and displacement effects associated with proposals. A related criticism was that the monitoring and evaluation of programmes was insufficiently intensive to permit the centre to codify best practice in a manner that provided learning opportunities for other local schemes. Learning-by-monitoring procedures were not well developed.

Varied assessments were made of the individual programmes that were implemented under the tutelage of ADM (interviews with officials from the Department of An Taoiseach). The Rural Transport Initiative received the strongest evaluation reports. About 34 individual projects have been set-up and these absorbed Euro 6 million in 2002 alone. But as a result of this funding it is estimated that in 2002 200 new routes were introduced, which were being used by 2,000 people every week. Moreover, it is estimated that 500 people are involved on a voluntary basis with these projects, which suggests that the projects have widespread local community support. The performance of the EOCP programme has not been rated highly. It is considered to have progressed slowly particularly in terms of the number of new childcare places created relative to the total amount of money that has been committed to the funded projects. In particular, it is estimated that Euro 176.5 million was earmarked to projects yet the number of childcare places has only increased by 49 per cent. In other words, the programme is not offering good value-for-money. The LDSIP is also not highly thought of as it too is considered to have progressed rather slowly and has not made the impact that was originally envisaged. Thus at the aggregate level, the consensus appears to be that ADM has neither been a big success story nor an unmitigated failure. It has performed satisfactorily, producing a range of benefits, but containing a number of shortcomings.

While the ADM is the mainstay of the development of partnership at the local level, it is also important to include the social economy programme in the analysis as this was set up as a result of the recommendations of the Social Economy Working Group established by the 1996-2000 national social agreement, Partnership 2000. Not only was there an overlap between the initiatives that were to be launched by this programme and those spawned by ADM, but also the programme was to be implemented along partnership lines at the local level. Thus an element of the local partnership story would be left untold if the social economy programme

were not included in the analysis.

5. The Social Economy Programme

The Social Economy Programme was launched in September 2002 with the full backing of Government and the social partners. The aim of the initiative was to further develop ‘third sector’ economic activity in the country. The programme followed the now standard convention and viewed the third sector as consisting of a bundle of business and social initiatives falling somewhere between the private and public sectors. More specifically, the group developed the following typology to classify this form of activity:⁴

Community Businesses: organisations that might require a subvention in the early stages of development but have the objective of being financed from trading income alone. The move into self-sustaining viability is seen as occurring in the medium-term.

Deficient demand social enterprises: organisations that operate in circumstances where the demand for particular goods and services within a community are not matched by resources to pay for these due to disadvantage or low density of population.

Enterprises based on public sector contracts: organisations that win contracts for the delivery of particular goods or services in disadvantaged areas and communities.

A split-level administrative framework, involving both national and local level arrangements, was established to implement the social economy programme. FAS, the government body responsible for employment policy in Ireland, was made responsible for managing and administering the programme. Although wide ranging procedures were put in place to include various interested stakeholders in the decision-making processes of the programme, FAS was to retain the final say on what projects actually got funded and to what extent. It was also made responsible for monitoring the performance of the programme. Most of this activity related to establishing a data set of indicators that collected information on the type of initiatives funded, and the value-added benefits that were being derived both by individuals and local communities. A national monitoring committee was set up, consisting of all the main stakeholders, to help devise operational policies for the programme and to monitor and evaluate progress on the ground.

In addition, local working groups were to be established by FAS with the purpose of bringing together the various stakeholders directly interested in developing social economy initiatives. These included the statutory bodies, the traditional social partners and civic associations. The remit of these bodies was to: plan coherent and integrated regeneration initiatives targeted on designated areas of disadvantage; ensure that ‘marginal’ groups such as travellers, single parents, people with a disability, were included in any established initiative; ensure that the initiatives funded were in line with the broad principles of the programme. The

⁴ The following alternative typology might have been tidier: *Worker co-operatives* are democratically controlled associations of people that seek to provide a ‘viable’ market or business activity and retain generated profits for themselves; *Community Businesses* are organisations that also engage directly in market activity but have a strong community dimension – employ disadvantaged people, reinvest part of any generated surplus back into the community or seek to provide a community service at the same time as generating a profit; *Community Trusts* are organisations that are community-controlled organisation that manage workspace and other infrastructure schemes for the benefit of a defined neighbourhood; *Demand-Deficit Enterprises* are non-profit organisations that seek to provide a local market or community service which are underdeveloped in a particular community (e.g. childcare facilities). These organisations require some form of subvention as they do not generate a profit; *Intermediate Labour Market Companies* provide training and work experience to the long-termed unemployed.

working groups were to operate on the basis of partnership of equality between different actors and consensus-based decision-making.

Though not specified exactly in these terms, the rationale for a social economy programme was portrayed as seeking to solve problems that arise as a result of a series of market and government failures. These failures relate to such matters as the insufficient provision of local public goods such as child-care facilities; the absence of a variety of risk-sharing opportunities that impede local communities gaining access to sufficient levels of capital that would facilitate commercial initiatives benefiting the entire neighbourhood; the exclusion of the poor from credit markets thus effectively disabling them for developing their own businesses.

Social enterprises are considered better positioned to solve these problems than either markets or governments for a number of reasons. First of all, people associated with these organisations are more likely to possess crucial information about the social dynamics of local communities – the needs, capacities and behaviour of individuals for example. Moreover, they are better placed to promote and enforce norms of trust and cooperation that allow all possible opportunities for socially beneficial business initiatives in local economies. Further, community based business ventures have greater capacity to monitor the behaviour of people inside particular initiatives, the idiosyncratic needs of local areas and unfolding trends and developments in neighbourhoods.

Why can social enterprises or community businesses perform these tasks better than the market or government? In a nutshell, they possess or have access to non-pecuniary incentives that anthropologists have shown communities or groups use to regulate common or collective activity: reciprocity, reputation, respect and retribution (Putnam, 2000). Thus people involved in a social enterprise are usually from the local area and as such are more likely to interact with each other in the future as much as they do today. In this situation, an incentive exists not to behave badly now so to avoid retaliation in the future. Moreover, because the frequency of interaction is higher within communities and thus amongst participants in social enterprises it is easier to learn the personal traits and characteristics of individuals. With this information being easily acquired and dispersed, individuals are more inclined to behave in a manner that advances the common aims of the community, group or enterprise. In addition, community level economic organisations may be better positioned to address the pervasive problem in business life of individuals behaving badly in a manner that falls outside the competence of enforceable contracts, as they are able to enact peer monitoring and even punishment.

6. The performance of the Social Economy Programme: a glimpse at the national picture

The most notable feature of the operation of the Social Economy Programme is its precarious financial position. The National Development Plan, which is the budgetary source for the programme, originally envisaged an expenditure level of €270.5 million between 2000-2006. Yet by 2003, after being in operation for just two years and having spent €55 million, the Government announced that beyond meeting the financial commitments already made to projects, no further money would be available to finance new initiatives. The reason given was poorer than expected economic performance necessitating fiscal cutbacks across a wide span of public expenditure initiatives. But the announcement effectively sounded the death-knell for the programme. As things stand, it is extremely unlikely that the programme will operate beyond the end of its initial three-year life cycle.

During these three years the programme appears to have been reasonably successful. A total of 857 applications were received to fund the development of a business plan, which had to win approval before full grant aid would be considered. Of these applications, 601 received approval. In turn, just over half of these proposals, 336 projects, succeeded in obtaining full grant aid. The

reason why most of the other 265 projects were unsuccessful can be attributed to the moratorium being placed on the funding of new projects in 2003. Without this announcement most of the other projects are likely to have qualified for funding. In May 2003, 335 enterprises funded by the social economy programme were operating and reliable data exists for 322 of these organisations. At that time, the vast majority of these enterprises were still in the very early stages of operation (eighteen months or less). In terms of jobs, the enterprises employ a total of 2,257 people, 312 of whom are managers. Of the 1,945 non-managerial jobs, 1,165 are full time. All those gaining employment in the enterprises are drawn from disadvantaged groups, a stipulation of the social economy guidelines if the enterprise wishes to receive a wage grant. About half of those recruited were previously in receipt of unemployment benefit, while 27 per cent were on disability allowance and a further 25 per cent received disability allowance.

In terms of itemised expenditure, wage grants for employees accounted for about 60 per cent of the planned 2003 budget for the programme. Grant aid for managers represents roughly 18 per cent of the total proposed expenditure. Financial support for administration and training were set at 3 per cent and 2 per cent respectively while the envisaged grant for capital expenditure amounted to 6 per cent of the total budget. Together these figures strongly suggest that most of the enterprises are engaged in activities that are labour intensive, do not require a high skills input and need little capital. Whether they are classified as a Community Business or a Demand Deficient Social Economy Enterprise most of the organisations that have been set up are engaged in some welfare or social activities in a 'market' situation where potential customers are unable to pay for these services at a rate that would allow the 'provider' to operate without a public subsidy. Thus the strong suspicion is that many of the enterprises set up under the Social Economy Programme were never from the very outset going to reach financial viability in the narrow sense of the term.

7. Local partnership in action: the cases of Dundalk & Limerick

The commentary above gives an insight into the performance of the ADM and social economy programmes at the aggregate level. To get a fuller picture of how local partnerships operated on the ground, we look in greater detail at how two of these arrangements operated in different local areas, Dundalk and Limerick. These two local partnerships were selected for a variety of reasons. First of all, neither place was inside the Dublin area, which was considered important as partnerships in and around the capital city were considered as potentially better positioned to get access to more specialised resources and expertise. Furthermore, each locality selected has down the years had its fair share of problems, although these differed in character. Dundalk is a town in the northeast part of the country, near the border with Northern Ireland. Unfortunately it obtained a bad image as a result of the 'troubles'. In particular, it was considered a town where republicans 'on the run' from the British securities forces would relocate: it was frequently referred to as El Durado.

Limerick City, which is located in the southwest part of the Republic, is generally seen as suffering from a number of problems. One claim is that the city, like the region in which it is located, has been relatively neglected by successive Governments, which have been more preoccupied with upgrading Dublin and the surrounding area. Another claim is that the development that occurred in the 1950s was not well thought-out as it created large isolated housing estates on the periphery of the city that generated a range of social problems in the 1980s and 1990s. Thus both places were seen as locations that had a series of problems that were opened to address by partnership type initiatives.

The PAUL Partnership in Limerick and the Dundalk Employment Partnership are the two umbrella organisations that implement on the ground the ADM related programmes. Both have similar missions, which involve supporting integrated local economic and social development

by managing programmes targeted at countering disadvantage and exclusion and promoting reconciliation and equality. Equally the organisational structure of each partnership is broadly the same. The key decision-making body is the Board of Directors made up from communities, state agencies, social partners, voluntary groups and elected representatives.⁵ In both instances, Directors or senior management from the public health and education agencies in the locality sit on the board, which indicates a high level of commitment from these organisations. The representatives from the civic associations are drawn from the most prominent local community and voluntary groups. These groups nominate their representatives to the Board rather than the Board appointing them unilaterally. In most cases however, it is the Chair or the 'lead' person of the civic association who is appointed. The trade union and employers representatives are normally the full-time regional officials of IBEC and ICTU or one of the larger trade unions like SIPTU. Both Boards also include prominent members of the local business community such as senior managers from one of the banks and these appear to play an active role in activities. All in all, the Board of Directors in each case consists of individuals who enjoy high status in the local communities.

Much of the work of the two partnerships is tied to the 'mandates' that have been received from the national partnership board of ADM. In particular, as mentioned earlier, they are obliged to develop projects that relate to programmes such as EOCP and LDSIP. Each partnership is also financially accountable to the national partnership board. To obtain funding from the centre each partnership has to write a strategic plan that sets out its proposed work schedule for a six-year period. Each plan has to show that it has gone through an extensive consultation and deliberation process with all relevant stakeholders. It also has to describe how the proposed activity is to be monitored and evaluated. Thus the local partnerships are financially accountable to the centre and are to some extent constrained in what they can do by having to deliver on the ground schemes that have been devised at the centre. At the same time, each partnership has considerable discretion to prioritise certain areas of work over others and to focus on particular schemes within the framework of the national programme. Moreover, on a day-to-day basis each partnership has a high degree of autonomy: the relationship between the centre and the locality is hands-off.

Activities of the PAUL and Dundalk Partnerships

There is considerable common ground to the activities of PAUL and Dundalk Partnerships, although there are some differences in focus within these areas of work. Moreover, each Partnership has a number of important distinctive projects. The converging and diverging features to the work of the two partnerships are developed in greater detail below.

Enterprise creation & development

Each partnership seeks to promote self-employment and enterprise development among five targeted groups – the long-termed unemployed, lone parents, travellers, people with disabilities and women. Both partnerships have an Enterprise Support Centre that operates as a 'one-stop shop', providing guidance and advice to both individuals and groups seeking to advance their enterprise initiatives. The centres provide workspace and office facilities for individual small business. In addition, intensive support is given on a one-to-one basis on matters such as business planning support, book-keeping, financial advice and guidance, grant and loan application assistance, marketing advice and mentoring.

Box 3: PAUL Partnership Enterprise Support Centre (2002)

<p>7 enterprises renting space 39 people employed 145 clients availing of centre 39 business plans completed 21 new businesses established</p>

Both Partnerships also coordinate the Back to Work Enterprise Allowance Scheme. The Back to Work scheme encourages people receiving certain social welfare payments to become self-employed. Those taking part in the scheme retain a percentage of their social welfare payments and associated secondary benefits including medical cards, fuel allowance, rent supplement, etc for a period of four years. This support mechanism alleviates some of the risks associated with embarking on a business venture and also eases the adjustment to self-employment. During 2002 Limerick approved 60 applications whereas Dundalk approved 37. In addition, each Partnership has made some small amounts of grant aid available to community groups and individuals to develop enterprise ideas and establish or expand small enterprises.⁶

The partnerships also deliver or sponsor education and training courses to promote sustainable self-employment. These range from Business Start-Up courses aimed at the long-term unemployed to sessions on matters such as bookkeeping, which are mainly aimed at participants on the Area Enterprise Allowance Schemes. In addition, to these business start-up programmes, soft supports are provided to existing clients so that they can receive help from experienced business mentors mostly on tax and financial planning issues. Each partnership also pursues separate initiatives on this theme. Thus the PAUL Partnership is actively pursuing proposals to establish a Mid-West Social Economy Fund to provide finance for social economy projects while the Dundalk Partnership has set up a number of working committees to develop business plans for new social enterprises.

Local Employment Services (LES)

Each partnership operates a local employment service with the primary purpose of providing a professional, confidential and community based service to enable clients who are long-term unemployed or otherwise distant from the labour market to access meaningful employment and employment related opportunities. This is achieved by means of a number of measures: 1) job clubs that give career guidance and mediation service; 2) comprehensive, user-friendly and up-to-date information service; 3) an effective network with partner organisations, community groups and employers and; 4) innovative outreach strategies to deliver a local service to clients (for example, a Mediator attends Limerick Prison to establish contact with clients prior to release).

Education and training

Providing education and training programmes is a key aspect of the activities of both partnerships. Most of these programmes are targeted at young people and other disadvantaged

⁶ In 2002, the PAUL Partnership Special Grant Scheme considered 28 applications for grant assistance to develop enterprise ideas and establish or expand small enterprises. 13 of those applications received grant assistance.

groups and cover a wide range of activities. For example, outreach programmes have been set-up to provide IT facilities and tuition in local communities, specifically for parents and homemakers. 'Taster' courses to encourage progression to third level education have been delivered for people who would not normally consider this route to improve their human capital. Early school leaving projects have been designed to encourage students to remain in the formal education system. Sporting programmes, summer activities, educational trips have been organised, all aimed at promoting literacy, numeracy and encouraging school participation. In addition, intervention programmes have been set up aimed at encouraging parents to become the prime educators of their children.

Community development

In addition to promoting enterprise and labour market activity each partnership is engaged in mainstream community development work. Both work with local communities in an attempt to improve living conditions in disadvantaged neighbourhoods. PAUL Partnership in Limerick for example supports five community-based Action Centres which provide three key services: 1) services to the unemployed - information service on education and training; 2) referral to other service providers (e.g. Money Advice & Budgetary Service (MABS) and LES); 3) services to assist community development – secretarial, administrative and personnel support to Community Umbrella Groups and other local groups. The Dundalk partnership has also established Resource Centres in the most deprived parts of the town. These centres act as a referral point to other agencies, but in addition provide assistance to the local community groups to develop integrated plans for their areas. A number of innovative environmental projects as well projects aimed at particular groups such as the disabled and lone parents have resulted from this activity. Both partnerships also sponsor training projects in the areas of capacity building; presentation and negotiation skills; management skills and facilitation; and group skills.

An important new area of work for both partnerships is providing support for asylum seekers and new migrants. The work with asylum seekers mainly involves helping them process claims for residency and ensuring that they are properly treated in terms of housing provision and access to benefits. Programmes have been set up to combat racism and encourage multi-culturalism at community level. Both partnerships have developed citizenship initiatives for new migrants. Much of this activity focuses on building up self-help networks, providing language courses, assisting people to access jobs, but has also involved other interesting schemes such as encouraging migrant families to become active and interested in their communities.

Family support & welfare rights

Family Support and Welfare Rights is another sphere of work both partnerships share in common. The aim of this activity in both Dundalk and Limerick is to empower families to improve their quality of life in the communities. In seeking to do this, both partnerships aims to raise awareness of family support issues, to provide support for new services and to lobby for changes affecting families. Among the activities in this sphere were the organisation of a major conference on women's health in Limerick in 2002; support for the development of services for older people via senior citizens groups; support for domestic abuse projects; and support for training for asylum-seeker young mothers.

While there is a big overlap in the key activities of the two partnerships each have developed specific programmes that are fairly distinctive. An example of innovative projects from each partnership are detailed below.

Limerick Local Social Capital Programme

The Limerick Local Social Capital Programme ran from 1 September 1999 to 28 February 2002 and was run collaboratively by PAUL Partnership, Ballyhoura Development and West Limerick Resources. The Limerick programme was the only social capital pilot on the island of Ireland. The European Commission provided €1 million funding and an additional €115 950 was provided by the partnership organisations.⁷ Both Limerick City Council and Limerick County Council underwrote the total project. During the lifetime of the project 169 grants were made available to individuals and organisations supporting the development of social capital.

The Dundalk Community Media Centre

The Dundalk Community Media Centre was created as a facility for schools, community and voluntary groups and individuals with a specialised interest in art, filmmaking and the creative industries more generally. The centre currently employs seven people who are assisted by 60 volunteers. A number of interesting projects have been set up since it opened in 2002. The centre has been granted a five-year licence by the Broadcasting Commission of Ireland to operate a community radio initiative known as Dundalk Weekend Radio. Training is also provided for community and voluntary groups on media and press communication. Schools use the facilities to allow students experiment with a wide range of media and communication activities that range from completing a video on environmental projects to using the technologies to help improve job-interviewing techniques of students.

8. The local partnerships & the Social Economy Programme

A feature of both partnerships is that they operate in the local area alongside other independent projects that have been established to address social exclusion but which have a different funding source or are connected with a particular Government initiative. For example, in Limerick and Dundalk alongside the employment partnership there are Territorial Employment Pacts. The aim of these pacts is to encourage co-operation and joint action between businesses, agencies, statutory bodies and the community and voluntary sector to develop employment opportunities, particularly for the long-term unemployed. Although smaller in scale, the activities of these pacts overlap with those launched by the two partnerships. Thus each pact is engaged in projects that aim to provide training and education for the long-term unemployed and in particular, disadvantaged groups.

Both partnerships have been involved in the implementation of initiatives set up under the aegis of the social economy programme, but neither has direct responsibility for this scheme. The responsibility for this programme, as mentioned previously, lies with the local Fás Office, the government training and employment service, which makes the decision whether or not to fund a proposal. In making this decision, it takes into account the recommendations of a local Social Economy Working Group, a partnership-based group set up to assess business plans for proposed third sector projects to be funded by the social economy programme. Local working groups have no remit beyond this programme. The role of these groups in both the Dundalk and Limerick areas has largely been administrative – assessing the merits of business plans for social enterprises. They undertook virtually no development work either to generate social economy funding proposals or help those that were financed to reach maximum potential. Now that the programme has been mothballed, the local working groups no longer operate.

Although now closed, the programme was responsible for the creation of 7 enterprises in

⁷ Partners in the programme included Limerick City Council, Limerick County Council, Fás, Mid Western Health Board, City of Limerick VEC, Price Waterhouse Coopers and the Ulster Bank.

the Limerick region and 6 in Dundalk during its lifetime. Further details of some of the initiatives funded under the Social Economy Programme are set out in Boxes 4 and 5.

Box 4: Enterprises supported under the Social Economy Programme (Limerick)

Organisation	Project	Activities	Staff	Funding
Ballyhoura Development Association	Mobile IT unit	IT training in remote rural locations	6	€263 100
Limerick Civic Trust	Georgian House & Visitor Centre	Illustrative interpretative museum on the history of Georgian Limerick	7	€263 100
Dromcollagher Care Centre	Provision of care services	Temporary respite care	7	€465 000
RCCN Caring Limited	Provision of care services	Home care service to the elderly	1	
Rural Bus Company Limerick & North Cork Transport	Transport	Rural bus service	9	
Croom Construction			6	
Friars Gate Management Company Limited			5	

A paradoxical situation exists with regard to social economy activity in the Limerick region. On the one hand, this form of activity is well developed, with some initiatives dating back to the 1970s. On the other hand, there is nothing exceptional either in terms of the numbers or the quality of the projects set up under the social economy *programme*, which suggests it was simply strengthening an established dimension to local economic development. Community businesses, community trusts and demand-deficit enterprises are to the forefront of social economy activity in Limerick, while worker co-operatives are less apparent. Intermediate labour market companies do exist, although it is unclear as to whether they have reached an advanced level of development. Much of the social economy activity of this nature is largely confined to certain areas within the city. These areas are highly disadvantaged, such as where unemployment is high (typically over 60%).

Box 5: Enterprises supported under the Social Economy Programme (Dundalk)

Organisation	Project	Activities	Staff	Funding
Redeemer Family Resource Centre	Leisure and learning resource centre	Sporting and leisure activities, training and education programmes	7	€124,434
Stephenstown Pond Trust Ltd	Tourism and environmental	Carp Fishery & Nature Park and The Agnes Burns Cottage & Visitor Centre	7	€124,434
Dundalk Community Media	Media and communications	Training for community radio and community video production	6	€111,356
Community Playgroup, Dundalk	Crèche and playgroup	Childcare services	10	€180,123
Holy Family Community Crèche Ltd	Crèche and playgroup	Childcare services	10	€180,123
Little Partners Crèche	Crèche and playgroup	Childcare services	7.5	€128,941

Traditionally, projects and initiatives with a social economy dimension have been based around the Job Initiative (JI) scheme and Community Employment schemes. The key organisation involved in the social economy in Limerick is the PAUL Partnership. Any organisation or individual seeking to develop a social economy project in Limerick city will invariably come into contact with the Partnership. PAUL's definition of the social economy, however, is broad and differs from the definition favoured by Fás.

Community associations, social partnership and local development

A number of contextual points need to be kept in mind when discussing the relationship between community associations, social partnerships and local development. The first is that no matter how successful we regard the calibre of the functioning of the area partnerships and the social partnerships it must be recognised that in *economic* terms the outputs from these initiatives remains relatively small in comparison to mainstream 'market' and 'public' activities. For example, in the Dundalk travel-to-work-area there are about 5,200 'mainstream' jobs while those employed in the social economy sphere number less than 100. Both local economies in Dundalk and Limerick have benefited from the spectacular job generation process that has occurred in the country over the past fifteen years. This may have slowed down in recent years but the impact on each local labour market has been large-scale. Both areas are now relatively prosperous places whereas two decades ago these were unemployment high spots. One consequence of this turn around in economic fortune has been to entrench the idea that mainstream economic activity, whether it is in the private or public sectors, is the main provider of employment and prosperity. As a result, the argument often heard from the community and voluntary sector that the social economy is the unfolding organising principle for the new economy is not receiving a wide audience.

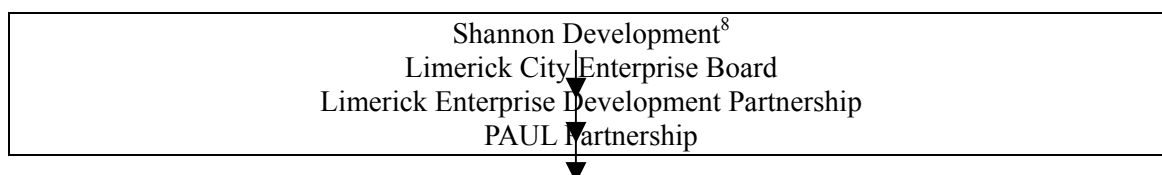
In *social* terms the situation is somewhat different. The most substantial activities of the two partnerships are the training and educational opportunities they provide for local

disadvantaged groups. Another important service they provide is career counselling and placement and matching functions. In Dundalk, for example, between 2001-2003 some 671 people received support for education and training activities from the local partnership while in the same period the employment service it operates provided assistance to over 1400 people. These are substantial numbers which indicate the extent to which both partnerships are doing worthwhile work. But it is work that is largely seen as ameliorative in character, seeking to ensure that those who have not benefited from the country's new found economic prosperity are not pushed under the floor boards of society. Thus the danger is that on the one hand local partnerships are trumpeted as a new way of organising the economy and society, but on the other are regarded for the most part on the ground as a new delivery service for programmes for the poor and disadvantaged. Even though these programmes are very necessary and entirely laudable, the effect is to create a wedge between the 'economic' and the 'social' which disables local partnerships from mediating between the two in a manner that happens at the national level.

One outcome from this situation is that despite the positive work done by the area partnerships these still do not have the institutional status of other agencies charged with economic development. Take for instance the Limerick region, there is a range of organisations and bodies involved in the promotion of local economic development as well as the related process of job creation and employment stimulation. Those involved in these activities can be classified into one of two categories. One group of organisations such as Shannon Development and the Limerick City Enterprise Board have as part of their mission the social and economic growth of local communities, but more or less focus on medium and small-scale business development. They do not have a social economy portfolio. Organisations like PAUL Partnership have the explicit remit to improve the lot of individuals and communities through developing social economy initiatives.

Interviews have ascertained that an informal hierarchy has emerged amongst these organisations, with the activities of some perceived by political, business and administrative elites to be more important than others.

Box 6: Hierarchy of employment support services in Limerick



Thus third sector organisations continue to be in an invidious position in Ireland. Although considered important and fully supported by the administrative and political elites, they are not conferred the same status as mainstream economic and business development agencies. In this situation, social partnership at the local level may become confined to a narrow range of activities that more or less deal with the problems left in the wake of creating a thriving, entrepreneurial economy in Ireland. In other words, an imbalance creeps into economic and social governance – social inclusion plays second fiddle to competitiveness.

This is the background context to assessing the role or engagement of community groups

⁸ Shannon Development is a state body with limited company status (effectively allowing it considerable freedom). Created in 1959 by the Irish Government, the state body is Ireland's only dedicated regional development company. The primary objective of the company is to secure and consolidate economic development in the Shannon region. The company employs approximately 240 people and funds its activities via commercial activities including rental income and consultancy. The total income of the company amounts to approximately €41 million annually.

within local partnership arrangements. Three inter-related aspects of this matter are addressed. The first is whether community groups in either area had the pre-existing competence to make an effective input into the activities of the local partnership proceedings. The second is whether the local partnerships, as a gateway to resources, allowed the community groups to work effectively in three traditional spheres of activity – local capacity building, disseminating packages of social interventions and strengthening campaigning activities. The third is whether the arrival of local partnerships caused community groups to develop in unforeseen ways or function in a different manner.

a) Civic association competence and local partnerships

Community groups in Dundalk and Limerick shared similar features but at the same time were different in some notable respects. But the overriding characteristic of the community groups in each area was that they were relatively unexceptional, possessing all the strengths and weaknesses of these organisations. Some of these characteristics are set out in the table below. The profile that emerges from the table is of groups that are reasonably representative of the local community or constituency which endeavour to operate in an open and financially responsible manner. They are reasonably well resourced in terms of staff but not to the point where they possess expertise on particular matters. Thus most groups would not be able to work up a well argued case for a particular initiative without external assistance or to keep abreast of external policy developments that may be of some relevance to them.

In other words, in terms of policy-making the knowledge resources of both communities were low. Neither in Limerick nor Dundalk had community groups the capacity to *frame* policy agendas: this remained beyond their reach. In addition, they had only limited ability to structure agendas, which allows the emphasising of certain topics and the de-emphasising of others. Further they had little capacity to practise agenda exclusion tactics which involves simply not including some items on the decision-making process or to remain silent on certain matters. If agenda setting is not effectively open to alternative views or positions then the decision-making process cannot be labelled deliberative. Another way of putting this is to say government retained effective control of the character and activities of local partnership arrangements despite all the talk that these amounted to new forms public policy-making. Certainly no thorough reorganisation of existing policy communities occurred to stop local economic and social development policies being reflective of government preferences: government remained the dominant agenda-setter in the policy process.

Table 1: Civic Association Competence and Local Partnerships

<i>Competence</i>	<i>Dundalk</i>			<i>Limerick</i>		
	Low	Medium	High	Low	Medium	High
Routine Knowledge resources	✓			✓		
Internal capacity-building activities		✓			✓	
Internal 'epistemic' assets				✓		
Ability to monitor internally		✓				✓
Ability to monitor externally	✓				✓	
Ability to diffuse best practice ideas	✓			✓		
Ability to mobilise Members		✓			✓	
Ability to agenda-set	✓					✓
Ability to organise external alliances		✓				✓
Ability to promote wider understanding of issues	✓				✓	
Balance between deliberation/ mobilisation activities	✓			✓		
Financial and staffing resources		✓			✓	
Membership base		✓			✓	
Organisational and decision-making structure		✓			✓	
Internal communication and policy-making		✓			✓	
Ability to promote organisational identity and culture	✓				✓	

However both communities display detailed knowledge of their local area in terms of being able to identify individuals or families that are some way vulnerable or the cause of trouble. They are also a good barometer of the mood of the local community or groups on certain matters.

The relational resources of community groups were stronger in Limerick than in Dundalk. Although the range of networks both groups participated in was more or less the same, the *morphology* of these networks was thicker in Limerick. Community groups in that city seemed more adept at building alliances with local politicians, business leaders and professionals to advance their particular interests. It is not that these connections were absent in Dundalk but that community groups were less active in fostering these relationships. But this difference needs to be kept in context: while Limerick community groups were more active on this front, this has not led to the launching campaigns on big issues. Relational activity has not been translated into mobilisation activity. For the most part, groups in both areas engage in fairly low scale agitation on behalf of an individual or family on matters relating to housing or benefit entitlements.

Another difference between the two areas was that there was a stronger tradition of community engagement in social economy activities in Limerick than in Dundalk. A number of reasons account for this difference. First, the Limerick community groups displayed a sharper sense of place and identity in terms of being from and representing relatively deprived neighbourhoods on the fringes of the city. The sense of being semi-detached, even isolated, from the mainstream of the city with an image of an area to be avoided engendered a self-help mentality. This attitude encouraged the community groups to focus on developing services that would be run primarily by them for the local area. Second, the Limerick area had a more longstanding infrastructure dedicated to promoting social economy type activity. The Paul Partnership in the Limerick area was first set up in the early seventies to promote third sector orientated business and economic initiatives. For the most part, this body was established due to the enterprising activity of a local priest at the time. Dundalk has not got the same history or record in the area of community business activity. The third difference is presence of social entrepreneurs in Limerick. Community leaders in Dundalk were more focused on building up state or public provided services in the areas they represented and ensuring that people in the area had all the social benefits to which they were entitled: they acted in the mould of traditional community workers. The community leaders in Limerick were greater risk-takers in that they were more to the idea of seeking to solve community problems through economic and business inspired actions: they acted more in the mould of social entrepreneurs.

b) Local partnerships and capacity building

The local partnerships that have been established are examples of what are called in the literature 'new social intermediaries' (Dresser and Rogers, 2003). These organisations set out to address different facets of social exclusion by promoting employability and enterprise development. They try and do this in a number of ways. First of all, each partnership attempts to increase the flow and sharing of information among policy-making on the dynamics of social exclusion in the respective localities. By creating new fora to discuss and formulate strategy on poverty and exclusion, the partnerships draw agencies, employers and community representatives into interactions and exchanges which might otherwise not happen.

A number of benefits have arisen from these interactions. Better understanding has been gained about the strengths and weaknesses of existing programmes. More is learnt about particular forms of disadvantage and exclusion in specific neighbourhoods. Both these benefits have led to improved policy-making and delivery. Thus in both Limerick and Dundalk, statutory agencies relaxed eligibility criteria associated with particular programmes so as to allow individuals access to financial allowances that they would not have received otherwise. Flexibility has also been shown in the implementation of particular initiatives so as to prevent the exclusion of certain communities. New forms of multi-agency collaboration have been launched to address the problems of identified disadvantaged groups, particularly in the areas of education and training. At the same time, while information sharing and better communication channels have improved since the arrival of the area partnership arrangements, leading in some instances to the delivery of more effective social inclusion programmes, it would be an exaggeration to say that all problems have been effectively addressed.

A further benefit is that each partnership has provided new resources to strengthen the internal capacity of local groups and to help them operate in a more visible and organised way. Thus each partnership employed community development officers to provide expert assistance to groups in such things as helping them communicate more effectively with members, giving advice and training on how to operate meetings, solve problems and develop activities that would advance their interests. Each partnership also funded resource centres in deprived housing estates and neighbourhoods to help different community groups organise local activities. These resource centres have been used to run events such as mother and kids clubs, old-aged

pensioners clubs, adult literacy classes, etc. Although these activities are not distinctive to the Irish case – community groups are doing similar things in virtually similar ways around the globe – the support provided by the Dundalk and Limerick partnerships did permit a wider range of community related activities to be launched in the respective localities. This support also increased the internal capabilities of community groups to make arguments that voiced the concerns of members about the character of public policies. Thus, for example, with regard to the social economy programme community groups made negative comments about what they considered to be overly burdensome regulations and procedures associated with the scheme. Criticisms were also made of FAS, the government's training agency, for interpreting on occasions the guidelines too rigidly.

A further undisputed benefit arising from the partnerships was the creation of new employment brokerage services, which improved sorting and matching in the labour market. Unlike most other countries in Europe, Ireland does not have a public employment service, which, on the one hand, advertises job vacancies and training opportunities and provides career guidance and advice on the other. This is a particularly important service as many groups such as the long-term unemployed and lone parents require individual employability plans that integrate guidance on personal and career choices with training and learning packages. Both in Limerick and Dundalk these services have been welcomed by local employers, communities and public servants. Embedding the service within a partnership framework in a manner that has the support of all relevant stakeholders appears to have been successful given the high numbers that use the facilities. This is a significant development as the idea of transferring employment brokerage services from the public to the private sectors has gained ground in many OECD countries and is already implemented in Australia. The Irish model stands apart from this stark choice and offers an interesting innovation.

Yet another benefit that has arisen from the two partnerships is that better conditions have been created for the local monitoring of public policy delivery. Community groups are rarely shy in coming forward to advocate and lobby for more resources and new programmes from government. But they are reluctant to engage with government in monitoring and evaluating initiatives, which require them to share information with and be self-critical to potential sources of future funding. Because community groups do not fully trust public agencies the ability to monitor and evaluate policy programmes is reduced. In turn the capacity to design more effective policies in the future is also weakened. The partnership arrangements have provided a partial solution to this problem. In both Dundalk and Limerick the community groups regard the partnerships as operating at arms length from government and thus tend to engage in a richer dialogue concerning the potential and limits to developing particular schemes. In addition, programmes have been implemented in a more targeted manner.

A fourth benefit of the partnership arrangements is a new engagement from the local business community. One interviewee described it as a modern form of the old Irish concept of *meitheal*. In nineteenth century rural Ireland a common practice, particularly at harvest times, was a voluntary system of collective action, involving informal networks of farmers helping each other to complete tasks. As a result of this activity a strong sense of community and collective identity emerged in many rural areas. Partnership, it was argued, has revived this type of action by encouraging local business people to get involved in the process. This involvement took several different forms. Some prominent local business people played an active role in Boards of Directors of each partnership – the chairperson of both partnerships were well known and respected local business people. Other individuals participated in 'projects' established to advance particular ideas. Still others gave individual programmes or enterprises specialised assistance in the areas of marketing and accountancy, most of the time without charge. In both Dundalk and Limerick, the contribution of the local business community to economic development was identified as a significant benefit arising from the area partnership process.

c) Social entrepreneurs and the local partnerships

The above shows that the area partnerships as well as initiatives arising from the social economy initiatives played a positive role in developing policy packages that helped address certain dimensions of social exclusion. Many community groups benefited from these packages and became involved in the delivery of these services. In so doing they were fulfilling a traditional role of community groups of providing services and activities to members that either address particular problems or improve the quality of life of individuals who for the most part live on the margins of society. Another traditional function of community groups has been to be a campaigning force to challenge, at the local level, business and political elites as well as so-called 'faceless' bureaucracies. For the most part, community groups in neither Dundalk nor Limerick got involved in this campaigning form of activity, certainly not in any sustained or high profile way.

Two reasons exist for this lack of campaigning role that involves groups engaging in a highly politicised manner to challenge local powerful blocs. One was that many elements of the public bureaucracy did not operate in a 'faceless' manner and in fact were only too willing to engage with local community groups to find new and better ways to delivering services. Thus the public authorities in charge of housing actively sought a community input into plans to improve facilities and introduce other innovations into relatively deprived neighbourhoods in both Dundalk and Limerick. To some extent, this openness negated the need to launch campaigning initiatives. Another reason is that the introduction of a relatively wide range of new programmes to provide social services that had been absent for many years changed the incentive structure facing community groups. Instead of initiating campaigns to challenge local powerful antagonists, it made greater sense for community groups to engage with the new local partnership bodies to obtain finance and assets that would bring material benefits to their local constituencies or areas.

There can be no question that community groups in both areas were very adept at securing funds from these new sources. Both in Dundalk and Limerick a key factor in this success has been that strong and highly able people lead local community groups. In a sense these community leaders acted as social entrepreneurs as they were effective at what might be called 'programme shopping' which involved developing initiatives that would unlock money from a range of funding sources. Community leaders displayed a number of qualities. First of all, they were able to organise community groups internally so these put forward demands and proposed initiatives that coincided with particular schemes that came on stream as a result of the creation of area partnerships. In addition, they were not only effective at interacting with a wide number of actors outside their immediate constituency but also at building effective links between these diverse actors. Thus in both areas leaders of local community groups were able to bring together local politicians, business people, public officials and full-time workers associated with particular partnership programmes in support of particular initiatives.

Consider the Moyross Enterprise Community Centre, which is located in a relatively deprived housing estate on the periphery of Limerick. This community business initiative is lead by a highly energetic and shrewd community leader who is a resident of the estate. In the early 1990s under his leadership the community business was able to add considerably to its portfolio of activities. For example with the help of PAUL Partnership it was able to persuade Fás to fund a range of community projects under the Job Initiative scheme. In total 26 full time staff and 45 part-time staff are employed by these projects. One project involved the local community gaining a contract to maintain the local sports fields and amenities thereby increasing the sense of neighbourhood ownership of this facility.

Another initiative involved the community group working with PAUL Partnership, the city council and the housing authorities and a range of business development agencies to convert a row of derelict houses into small businesses units. Seven units in total were created and these

are all now occupied. Not only did this facility allow individuals to open business ventures in their local neighbourhood but also ensured that vacant houses that would invariably had been vandalised were put to productive use. Yet a further scheme was working with various agencies and the local police to set up a community security scheme that involved setting up a system of CCTV cameras around the estate to address problems of vandalism, drug pushing and other forms of anti-social behaviour that had occurred in the recent past. Thus under the direction of the community leader local groups were able to devise an agenda to gain money from the various social exclusion programmes and effectively push this forward by mobilising support from 'external' allies.

A feature of community enterprise activity in the Limerick area was an implicit rivalry between community groups located in the two most deprived neighbourhoods in Limerick, Moyross and Southill (another large deprived housing estate on the edge of the city). If community groups in Moyross were able to secure funding for an initiative then the equivalent associations in the Southill area would consider that they had been 'done over'. The response would have been a redoubling of effort to get a new initiative for Southill. Part of the marketing pitch of the proposed initiative would invariably be that the targeted programme should finance the idea in the interests of fairness and balanced distribution of funds across deprived areas in the city. Thus each community group were as prone to arbitrating against one another as they were to building up cooperative alliances. The basic point however, is that community leaders on the ground in both Dundalk and Limerick were skilled operators in terms of leveraging money for the benefit of local areas and groups.

Much of the recent literature on the social economy and local development has little but praise for the role of social entrepreneurs (Alvord et al 2002). Individuals who perform such a role are generally presented as injecting dynamism and energy into the activities of voluntary and community groups that result in exciting and innovative projects. Certainly this was the case in both Dundalk and Limerick where marginalized groups and neighbourhoods benefited from the actions of local leaders. But social entrepreneurship tends to come with a price. For example, social entrepreneurs come to monopolise community groups, to the extent that in some instances they dominate the channels for internal communication and most resources are directed towards advancing projects they consider as important. A further drawback is that the chase after extra resources, which is the focus of many social entrepreneurs, leads to less emphasis on building the internal capacity of community groups by recruiting new members and strengthening organisational and democratic structures. Thus social entrepreneurship can 'becalm' community organisation. This is a real danger in the Irish context as the recent proliferation in programmes targeted towards ameliorating social exclusion may promote more social entrepreneurship activity and less civic mobilisation.

d) New decentralised institutions without civic mobilisation

These features of the area partnership and social economy initiatives represent an underdeveloped form of network governance at the local level on employment and economic development matters. In the literature, networked governance is depicted as a move away from bureaucratic and depersonalised public services and towards the making of public policies by looser coalitions of stakeholders (Denters et al 2003). These arrangements are almost universally seen as superior procedures to address economic and social problems. Network governance is invariably lauded as consisting of responsive institutions that are open to challenge and debate. These institutions are seen as a source of new ideas and innovative programmes that not only solve complex problems but also deepen democratic involvement and encourage political agency at the same time (Sabel and Zeitlin 2003). It was this thinking that encouraged Fung and Wright to map out their deliberative governance framework.

Despite the benefits of the ADM and social economy programmes it would be excessive to

claim that these represent a full-fashioned networked governance structures on employment and 'third sector' issues. Certainly the two programmes fall short of the ideal type model set out by Fung and Wright. First of all, the high quality interactions between the centre and the local areas, which Fung and Wright envisaged would permit national bodies to support, interpret and supervise local programmes, have not materialised, or least not in any convincing matter. Administrative decentralisation has been achieved, which has resulted in a fair degree of uniformity across local partnerships in terms of what they do and how they go about doing it. But little evidence exists of the centre providing substantial or sustained support to local stakeholders that would have enabled them to launch genuinely experimental initiatives. Whereas the centre has secured strong financial control and accountability over local projects, there is not much sign of it engaging in evaluation and assessment of local initiatives to tease out the benefits and limits of local initiatives. Nor is there much evidence of national initiatives to promote horizontal connections between the various area partnerships so that they can learn from each other. Thus neither the ADM nor social economy programmes can be described as exemplars of the deliberative governance model developed by Fung and Wright.

At the same time it has to be recognised that this model sets down enormously exacting performance standards. The ADM or the social economy programmes would needed to have been exceptionally high performing over a period of time to match the preconditions established by the two authors. Thus Fung and Wright might have set the bar at too high a level for assessing the activities of experiments in deliberative institution building. But even taking into consideration the over-optimism of Fung and Wright it still has to be concluded that the two programmes had shortcomings. In the Irish case, there is too much fragmentation in the design and delivery of local economic and development policy measures that seek to address social exclusion. Consider the National Development Plan 2000-2006, which established a strategic framework for public sector expenditure and investment to advance growth and prosperity in the Republic. Approximately €19 billion was earmarked to be spent on social exclusion measures over a six-year period. A close reading of the plan reveals that these measures were to be managed by eight separate government departments, implemented by thirteen different agencies and delivered by a large number of institutions. No cross-departmental framework was considered necessary to develop coordination and integration across the huge number of interventions that have been established. Not only does this situation create the real possibility of duplication across programmes, but also the spreading of resources too thinly, resulting in the real and acute problems arising from social exclusion not being adequately addressed.

This problem was made worse by the absence of strong representative institutions at the local level in Ireland. As pointed out earlier, the administrative or policy-making functions of local government in Ireland traditionally have been more or less limited to housing and physical infrastructure. At the end of the 1990's the remit of the county and urban councils was extended by central government in the area of local economic and social development. In particular, local authorities were given responsibility to establish County and City Development Boards with the purpose of increasing the coordination and integration of the many social inclusion programmes that were being created under the auspices of the National Development Plan. Through this activity, it was envisaged that the Development Boards would strengthen the democratic legitimacy and accountability of bodies such as area partnerships. The unwritten assumption was that increasing the involvement of local councillors in the areas of economic and community development would lead to difficult questions being asked about the internal organisational operations of civic associations and the degree to which they genuinely gave a 'voice' to under-represented groups and neighbourhoods. Furthermore, it would permit challenging questions to be put about the feasibility and even the desirability of some of the programmes and thinking of community and civic associations. In other words, stronger representative democratic institutions at the local level would provide a strong countervailing force to what may be called 'community fetishism' – the uncritical acceptance of demands made

by civic associations.

Thus neither the area partnerships nor the social economy programmes can be held up as pristine examples of empowered local democracy or civic mobilisation. The working method adopted by the two programmes on this front did not help matters. Each arrangement seeks to advance its designated objectives through the creation of working or project groups on a particular topic. These working groups, which normally consist of a small band of people, examine in detail the feasibility of a particular proposal or evaluate the costs and benefits of opening up a particular policy pathway. In essence, these function as 'epistemic' committees rather than arrangements to promote participation. The focus is on the collection and analysis of evidence and information. Community groups normally have representatives on these groups but whether they have the expertise or knowledge to make a genuine contribution is open to doubt.

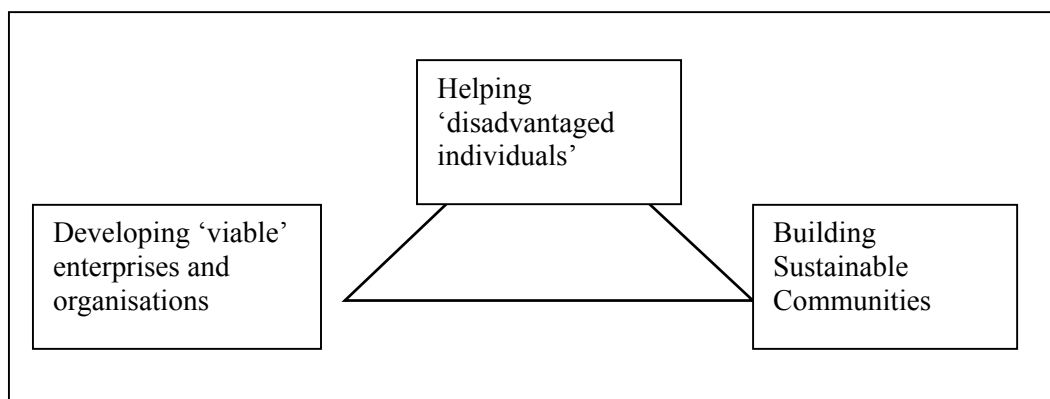
The argument is not that these working groups fail to develop worthwhile schemes, but that the way these groups operate is unlikely to increase, to any appreciable degree, popular involvement in the design and delivery of policy initiatives. In other words, local partnerships may be putting down the first building blocks of a new system of social intermediaries *without* advancing civic participation or mobilisation. As a result, the danger is that the new network governance system that is emerging may end up developing local worthwhile projects and services and be more open and sensitive to the views of the non-government sector without being institutional facilitators for participatory: civic associations run the danger of becoming too integrated into an administrative system set-up to deliver essentially government-determined local economic policies. In other words, a superior form of policy-making is created without some of the deep-seated problems concerning democratic engagement being effectively addressed (Goldfrank 2002). Although government may reap some benefits from this situation, civic associations potentially have to incur costs. In particular, civic associations may find themselves in a weaker position to challenge prevailing norms, rules and institutions that influence labour market policies and outcomes through mobilisation efforts and campaigns. They become too compliant and subdued, resulting in a Mexican stand-off emerging between the public policy establishment that will pursue initiatives that are within its comfort zone and civic organisations that in turn are not challenged about its vision of the future (Osterman, 2004).

In other words, high quality deliberation about the character of social economy initiatives as well as local employment policy is stymied under current arrangements. Yet it is precisely on these matters that a debate needs to occur as the standard approaches to the development of the third sector are unconvincing.

e) *Problems with developing the third sector*

The social economy trilemma

The mantra of many community groups is that government has been overly conservative and timid in its approach to developing the 'third sector'. There is some justification to this claim, yet at the same time civic organisations are reluctant to face up to the many difficulties associated with creating worthwhile social economy activity. Whether the unbridled development of the third sector should be considered the solution to all economic and social ills is a very moot point. For example, an examination of the evidence relating to forms of activity set up under the social economy programme draws one very quickly to the conclusion that a trilemma hangs over the creation of many social enterprises. This trilemma is set out in the diagram below and it suggests that most social economy initiatives, whether in Ireland or elsewhere, are normally set up with three objectives - building sustainable communities, helping disadvantaged individuals and establishing viable organisations and enterprises.

Figure 2: The Social Economy Trilemma

Yet realising these objectives at the same time is a Herculean task even when a broad definition of ‘viable’ is adopted so that it is not taken to mean a narrow ‘profit’ and ‘loss’ calculation. From the standpoint of these authors, it is quite acceptable to regard social economy projects as viable if they yield a level of social value but require an on-going public subsidy. However, the vast bulk of evidence suggests that whilst it may be feasible to realise simultaneously any two of the objectives, it is immensely difficult to achieve all three at the same time. Thus, for example, it is quite possible to set up an enterprise that creates social value and positively contributes to community or neighbourhood renewal, but it may not assist, at least directly, disadvantaged individuals. Invariably, the individuals employed in these enterprises are skilled or not particularly ‘disadvantaged’ in the normal understanding of the term. For example, they may be mothers who have consciously taken time out of the labour market proper to raise their children, but who are nevertheless relatively well educated and are seeking to return to some form of economic activity by setting up a community business or its equivalent. Thus social enterprises are likely to realise all three objectives in a very restricted range of circumstances.

One response to the social economy trilemma would be to encourage disadvantaged individuals to set up an economic organisation of sorts that is viable in terms of delivering a local service, even if it requires some degree of subsidy, but with limited, if any, community objectives. This would mean the organisation retaining most of the generated ‘profits’ in house so that it can create sufficient incentives and rewards for its employees to deliver a high quality service or product. These organisations are best described as co-operatives and not community or social businesses in the strict sense of the term. A further alternative option would be to downgrade efforts to promote social enterprises and simply focus on implementing active labour market policies at the local level that are targeted on a particular disadvantaged group, for example the long-term unemployed, and designed to positively contribute to the local community. These initiatives are unlikely to face ‘markets’ or have conventional entrepreneurial attributes in the sense of being motivated by financial viability considerations.

f) *The limits to local active labour market policies*

Local active labour market policies have their merits. However, a set of problems surround the operation of such community-based employment initiatives and other similar programmes that are established to help disadvantaged individuals and groups improve their economic and social situation. Usually individuals are offered four options: (1) a subsidised job with a regular employer; (2) work experience in the voluntary sector; (3) work experience on an environmental project; (4) full-time vocational training. The effectiveness of active labour market policies is much debated due to the large ‘deadweight’, ‘substitution’ and ‘displacement’ effects that are invariably a built-in aspect of these programmes.⁹ Careful studies and evaluations of these policies in the Irish context suggest that the benefits associated with these various programmes outweigh the costs (see O’Donnell 2004). Nevertheless doubts linger about the operation of these programmes.

Some criticise these schemes for being ‘make-work’ or ‘employment parking’ projects that address problems such as long-term unemployment or social exclusion by herding marginalised individuals into community activities that give them little practical training or hope for the future. Many countries prefer job subsidy schemes with regular employers as these are seen as arrangements that will provide individuals with work habits and traits more suited to the formal labour market. An added claimed advantage of these programmes is that a ‘stepping stone’ pathway is opened for disadvantaged people to gradually improve their labour market status. But several empirical studies have concluded that this progression effect is rather limited in practice (Layard et al 2004). In other words, people who enter these job subsidy programmes can get trapped in poor quality jobs. Thus a fair amount of suspicion remains about just how much benefit is derived from these active labour market programmes.

Concern about the effectiveness of social economy and active labour measures has important consequences. Perhaps the strongest implication is local partnership arrangements are deprived of a strong economic purpose. At the national level, social partnership has delivered wage moderation, which has huge beneficial effects in a small open economy. In particular, it produced a pay setting process consistent with the prevailing exchange rates strategy (i.e. entry into European monetary union). In fact, the national wage agreements produced real wage devaluation. Moderate wage settlements also lead to pay awards falling below productivity levels, thereby contributing to a fall in unit labour costs and thus competitive performance. It also had a positive impact on the spectacular employment growth experienced by the country in the 1990s. Thus national social partnership was strongly economically functional. The same is not true of local partnerships. While producing economic benefits, these were not substantial. As a result, local partnership arrangements cannot claim the same level of output legitimacy as the national social partnership arrangements. Output legitimacy is taken to be high when strong material benefits are associated with a particular form of economic governance (Scharpf 2000).

With output legitimacy not particularly strong for local partnerships, these arrangements become and more dependent on ‘input legitimacy’ credentials. On this score the local partnership fare better. Public policy on local employment has become more open to the voices of the non-governmental sector and worthwhile new programmes have been set up. But these benefits must be kept in perspective as it is questionable whether these have led to a step change in the quality of civic renewal and participation. The importance of this observation should not

⁹ Deadweight raises concerns about how many subsidised individuals would have been hired any anyway. Substitution relates to the follow on situation of how many of the remaining jobs would have been filled by other recruits in any case. Displacement is about how many of the remaining subsidised jobs, which represent an increase in employment in one organisation were at the expense of other organisations.

be underestimated as it impinges on current thinking about the future direction of Irish social and economic policy. In its latest position document, *An Investment in Quality: Services, Inclusion and Enterprise*, the National Economic and Social Council (NESC), an important strategy-making body, argued for the creation of a developmental welfare state. At the heart of this arrangement is the idea of active social policies that seek to promote greater employment participation by individuals rather than to indemnify them against too many labour market risks. An aspect of these new social policies is 'participation packages' that aim at designing customised support measures for particular individuals and communities.

Thus the 'developmental welfare state' envisions alliances between individuals, voluntary and community associations and established public agencies that set out to design new style social and employment measures. The purpose of these measures is to develop public policies that address the particular needs and circumstances of individuals and help them enjoy a meaningful and rewarding life in the labour market. The motivation behind such a policy direction is impeccable. But the evidence of this paper is that a lot of hard thinking remains to be done about the content and organisational character of such employment measures. Uncertainty exists about the entire direction of policy in this area. As a result, the creation of a developmental welfare state needs far more hard thinking than is presently evident about its institutional character and policy programmes. In a nutshell much more authentic deliberation is required.

Conclusions

The trend when discussing decentralised social partnership initiatives is to laud them as breakthrough experiments that are paving the way for a new form of economic and social governance. The vision is of a new associative democracy that involves a recasting of governmental institutions in a manner that permits individuals and civic associations to participate directly in policy decisions and in the production of economic and social goods (Hirst 1994). It also envisages a new symbiosis between public agencies and community groups so that both feed off each other to upgrade the formation, delivery and evaluation of programmes designed to obtain social inclusion (OECD 1996). This vision is attractive, but the supporting evidence is not strong. Invariably the schemes that are held up as examples of this sort of social and economic innovation frequently have relatively small-scale effects relative to total labour market outcomes. Thus in many policy discussions hope has galloped ahead of hard analysis.

This paper reaches a more level-headed conclusion. On the one hand, opening up of a local partnership to social partnership has produced a range of benefits. On the other hand, these have not led to ordinary people or 'third sector' groups exercising greater control over the exercise of power. As a result, it would be misleading to present them as examples of empowered participatory democracy. Little emancipation has taken place even though policy-making has improved. These arrangements have had positive developmental effects on individuals from disadvantaged areas who have either directly benefited from the schemes or who have participated in the various committees and agencies that have been established. Local partnerships have facilitated and improved information flows between community groups and the state but it is moot whether civil society has been qualitatively upgraded as a result of these initiatives. It can be reasonably argued that local partnerships have led to better representation of different voices in policy discussions about local economic and social development and to important institutional modifications to the organisation of local government in the country. Moreover, government sponsored bodies have widened representation and civil servants probably now attach more meaning and importance to 'stakeholder practice'. In addition these

modifications have led to more speedy and flexible initiatives. These are tangible effects that require recognition, but they also need to be kept in perspective.

By any stretch this is not a conclusion that has lost the run of things. More than anything it raises big strategic questions for both government and the 'third sector'. For the government the big question is whether it is prudent to push forward with experiments in participatory democracy such as decentralised social partnership arrangements when the local institutions of representative government are still weak despite the reforms that have been introduced. There is a strand of literature that argues that deliberative institutions such as local partnership arrangements can replace representative institutions such as elected local authorities or council as the main forum for democracy at the local level (see Fung 2003). But the analysis of this paper suggests that these arrangements should be seen as complements and not substitutes. The Irish situation suggests that vibrant local social partnerships require strong local democratic institutions. In the absence of well-functioning local authorities, civic organisations may be asked to take on too much responsibility for designing and delivering programmes. Moreover, it may place local community groups in a monopolistic position where their policy vision and demands and the character of their internal representative systems go unchallenged as there are no alternative structures to promote a collective voice or give proposed programmes an acceptable level of social legitimacy. This is not a particularly healthy situation as it could lead to what has been described as 'community fetishism'.

The presence of well functioning local authorities may well be essential checks on these undesirable effects precisely because they are a rival avenue to provide local democracy and accountability. Thus the fact they are potential rivals may push the agents of representative and participatory forms of local democracy to forge close cooperative relationships with each other. From this perspective, the recent moves to upgrade the remit of local authorities in the coordination of local development should be accelerated and deepened.

The Irish experience also suggests that the decentralised partnership arrangements that have been set-up require civic associations to be too compliant and cooperative, causing their mischievous role to desiccate. In this situation they may lose the ability to be a countervailing force to state agencies unable to challenge established policy-making methods or ways of doing things: they become engaged in too much problem-solving and not enough in mischief-making. Of course, the alternative scenario of community groups operating in a pure adversarial manner is equally unattractive as it forecloses the opportunity of building constructive alliances with government agencies and other potential allies for the betterment of the people they represent. The ideal balance is between equal amounts of mischief-making and problem-solving activity.

Promoting equal amounts of each activity is far from easy and it is a matter that needs to be kept under constant review. But the strong suspicion is that the balance between the two is out of kilter in the Irish situation, with the result that civic associations do not campaign enough. Retaining the capacity to mobilise their constituencies to challenge the agenda-setting capabilities of local power elites whether these are in the business or political arena and at the same help construct 'new' public organisation to deliver services to local communities is the challenge of the future.

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