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# An Introduction to NESC and its role in Irish social partnership

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Dr. Rory O'Donnell,  
Director, NESC

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# Overview

- Introduction to NESC
- From tri-partism to partnership
- The content of policy
- Dimensions of partnership
- Answer to your questions

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# 1. Introduction to National Economic and Social Council

- Established 1973
- Chaired by Secretary General of Prime Minister's department
- Seeks consensus, no voting
- Not involved in legislation or mediation
- Focus on strategic issues and principles
- Widened to NGOs in mid-1990s

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# Council membership 2003-2006

**Chairperson:** Mr. Dermot McCarthy, Department of the Taoiseach  
**Deputy Chair:** Ms Mary Doyle, Department of the Taoiseach

<b>Trade Union Pillar</b>	<b>Business and Employer Organisation Pillar</b>	<b>Agriculture and Farming Organisation Pillar</b>
<b>Community and Voluntary Pillar</b>	<b>Government Department Nominees</b>	<b>Independent nominees</b>

- 5 nominees in each pillar
- Supported by NESC Secretariat (5 professional staff)
- Meets monthly

# Main tasks

- Analyse and report to Government on strategic issues relating to efficient development of economy and achievement of social justice
- Provide stable forum where major economic and social interests engage in:
  - Shared observation of evidence on state of Ireland's economy and society
  - Deliberation based on independent analysis
  - Problem-solving approach to meeting national challenges and implementing national priorities

## 2. From tri-partism to partnership

- Economic, social, political crisis
- Analysis in NESC
- Agreed NESC *Strategy* report
- Negotiated 3 year programme
- 6 programmes since 1987

# Consistent policy framework

1. Macroeconomic
  - Low inflation
  - Growth of demand
2. Distributional
  - Ensure competitiveness
  - Handle distributional conflict
  - Fair
3. Structural adjustment
  - For success in changing environment

# Policy context for Ireland

1. Macroeconomic policy:
  - EMS to EMU
  - public finance correction
2. Distribution:
  - centralised wage, welfare, tax
3. Structural change:
  - training, technology, social ...

# Factors that drove Irish growth

- Domestic policy and institutional adaptation
- Competitiveness via partnership
- EU: SF, internal market, EMS
- Foreign Direct Investment
- Education and labour supply

## Understanding Ireland's development

- Expanded export sector, of a regional economy, in a world where specialisation and organisational capability count
- Virtuous circle: skills, wage, tax, jobs,
- *Extensive* as well as *intensive* growth
- Neither *fatally contradictory* nor *inevitable convergence*
- But undoubted *vulnerabilities*

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# Vulnerabilities of economic development

- Hard to measure and forecast
- Extensive growth can imply:
  - Bottlenecks
  - Super-normal profits, rents and asset prices
  - Spatial and environmental pressure
- International regulatory institutions vital
- Regulation of networked sectors
- Export base + employment focus: inequality
- Possibility of extensive decline
- Wage trend have significant effect

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## Social vulnerabilities

- Limited development: inequality
- Openness: extensive decline
- Openness: extensive growth:
  - Earnings disparity
  - Population increase/pressure on services
- Economic strategy: risk inequality
- Employment priority: risk poverty/inequality
- Institutional legacy: welfare targeted but ‘two-tier’ + risk poor service standards

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# Role of negotiated programmes

- align partners to consistent and competitive actions.
- provide framework for strategic government policy.
- based on shared understanding of key economic and social mechanisms

## 3. Dimensions of partnership

- Bargaining and deal making.
- Solidarity, inclusiveness and participation.
- Deliberation, interaction, problem-solving and shared understanding

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Focus on relations between employers + employees or relations with government?

- NESC is one of a number of points of tripartite contact
  - Focus is on public policy, and partnership process itself
  - Sometimes highlights issues where social partners can take the lead
- Other bodies focus on relations between employers and employees, for example:
  - Labour Relations Commission
  - National Centre for Partnership and Performance
  - Boards of state bodies

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# Agenda of the tripartite bodies?

Differs from one body to another

In NESC:

NESC Secretariat propose work programme

Members make suggestions

Government request study of certain issues

# How effective is the Council?

Influence varies over time

Depends on:

- Quality of the analysis
- Importance attached by social partners
- Importance attached by government
- Quality of deliberation
- Beyond lowest common denominator

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## Dual evolution of partnership

*Content*

Macro to  
structural  
and  
supply-side  
policies

*Method*

High-level  
bargaining to  
multi-level  
problem  
solving

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# Renewed vision of partnership

- limited preconditions of problem solving
- a new view of a social partner
- new roles for government
- new combination of policy-making, implementation and monitoring