

The NESC Developmental Welfare State

A glass half empty or a glass half full?

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or

Opportunity or Threat?

Introduction

The origins for the NESC Developmental Welfare state 2006 lie in a social partnership commitment originally advocated by the Community and Voluntary Pillar during the negotiations leading to the Programme for Prosperity and Fairness (2001)

'The government will request the NESC to review the strategic options for the future of the tax and welfare systems over the next ten years, taking into account emerging trends and policy objectives. This report will be produced in September 2001' (PPF 2000:12)

Such a review was slow to emerge but first appeared in the NESC strategy document *An Investment in Quality: Services, Inclusion and Enterprise* (2003). *Sustaining Progress* (2003:39) committed NESC to 'finalise its report on strategic options for the future of the tax and social welfare systems'. The NESC report the Development Welfare State (DWS) that finally arrived in May 2005 was, with no review of the strategic options for the future of the tax system, somewhat incomplete, but nonetheless welcomed as a landmark report.

The failure of current social policy to address the inequalities present in Irish society forms part of a wider debate in all developed democracies regarding the inadequacies of the welfare state Hemericjk (2003) comments

'how in many countries a lively debate is taking place on the moral foundations of existing welfare arrangements and on the need to rethink such foundations'.

The NESC DWS (2005) has been described by one of its authors as an attempt to 'reposition or relaunch' (Sweeney 2005) and by Gaffney (2005) as an attempt to recalibrate Irish social policy. It is not clear that NESC DWS has constructed debate about welfare reform by reshaping issues, concepts and ideological language in ways that generate political space and momentum in relation to welfare reform (Cox R. H, 2001). Already one year old it has not aspired lively debate or reshaped the momentum around welfare reform¹. The lack of debate is not necessarily the fault of the authors but reflects the difficulty of promoting qualitative policy debate in a political culture that prides itself on pragmatic and practical discourse. The paucity of social security related debate in Ireland reflects a weak social security policy community and under appreciation of the importance of social policy to both social and economic success, a point emphasised by the NESC report.

It might also be asked however whether the NESC (2005) report stands up to its description as key strategic document capable of recasting Irish social policy and whether the analysis in the document is the most useful starting point for such a process. The report is a welcome source of fascinating new information and facts about the Irish Welfare State. It is however, difficult to unpack, its style is an inconsistent mix of facts, rhetoric, analysis and concepts and it is difficult to precisely define some of its language and terminology used in the document.² Crucially some of the analysis in the document is controversial and open to contestation. Before the DWS is used to launch a debate it is necessary to academically and politically debate and clarify important assumptions informing NESC's analysis. This is the purpose of this article.

¹ Compare and contrast this NESC DWS experience to that following the publication of NESC¹ 'Housing in Ireland Performance and Policy' in December 2004. This generated much comment and debate in the Irish housing sector. Key housing groups reflected on its analysis, the NESC director spoke at four national housing conferences; Cornerstone¹ devoted three editions to analysis and debate. The report is regularly referred to in political commentary.

² 'Activist services' (Page ref) for example might be confused with the concept of 'activation', 'tailored universalism' might be confused with 'tailored individual services' (page ref).

Our discussion first briefly reviews the content of the NESC report. We offer a critical assessment of the overall analysis. We then focus the remainder of the article on recommendations arising from the NESC model; the income support proposal for a more conditional participation income, the ‘services dividend’ and the new relationship proposed between the ‘regulatory state’ and local activist service providers. The capacity to implement any or all of the recommendations is limited without further work to develop an implementation blueprint and assess the cost implications and without further consultation with key stakeholders. We conclude the document is strategically but constructively ambivalent. It leaves open the way for a positive social democratic interpretation or a more negative neo-liberal variation of welfare reform. Subsequent political mediation of policy choices offered in this and other documents will determine the future direction of welfare reform. Such debate should include as many stakeholders as possible, additional analysis and critical reflection. The NESC analysis should not be the sole starting point on the Irish road to welfare recalibration.

What is in the Report?

The NESC report is a welcome description of serious social deficits and inequalities that persist in Ireland. An analysis of Ireland’s welfare state acknowledges that existing policies and approaches to organising social policy are not tackling social inequalities. NESC argues that Ireland is a hybrid welfare state undergoing multiple changes and proposes an alternative conceptualisation of the welfare state to steer future reforms. This conceptualisation is of a ‘developmental welfare state’ which NESC describes as three overlapping domains of welfare state activity; core services, income supports and activist measures.

Core services, the most strategic of three domains, range from those such as health care and child care typically not provided universally by the state. Rather present access to such services is contingency based and in most cases dependent on ability to pay. The NESC argues that in contemporary Ireland access to core services has “a wholly new resonance; they underpin

the social and economic participation of an increasingly diverse population and enhance labour market flexibility and competitiveness” (2005, 155). The provision of such services would require reform of existing services like education and a hastening of the development of innovative services, for example childcare.

The second domain refers to the range of income support measures. These, NESG argue, should be based on the need to provide adequate subsistence and participation in society. NESG propose that income support measures be differentiated based on life stages with particular emphasis on children and the elderly. With regard to the elderly there is a need to ensure that those who have retired from work are not living in poverty and as such state pension such be as accessible and adequate to all retired people. In childhood “parental circumstances should not be the cause of any child being denied access to key developmental opportunities; while all children are supported, some are supported more than others” (2005, 157). Payment arrangements for people of working age should be delivered in a more conditional framework tailored to support employment or other social activities. This would be facilitated by the improvements in core services; as the labour market becomes more inclusive for those of working age this will lead to higher employment rates. Whether such arrangements are supportive (earned income disregards and employment incentives) or punitive (sanctions such as loss of payment for failure to take up offers of employment) is not entirely clear. However but the emphasis is towards a more supportive type of activation than a conditional workfare model.

The third platform of the Developmental Welfare State is comprised of innovative pro-active measures in which non-governmental organisations respond to unmet social needs. This tends to occur most frequently in the community and voluntary sector organisations funded by state agencies to provide services to communities and population sub-groups. The communities and the social issues being addressed are diverse and the outcomes of such initiatives vary. Some projects may terminate following

success and the solution of a particular issue, other outcomes might see embedding the initiative as a mainstream service (NESC; 2005, 157-8).

Is the analysis adequate?

Does this three pronged life cycle approach necessitate a far-reaching innovation to the manner in which welfare services and supports are provided to Irish citizens? The DWS report proposals have much to offer. In relation to income supports there is an honest discussion and analysis of the problem of and composition of benefit dependency. Bringing differentiated thinking to different stages of the life cycle results in proposals to make child income support more progressive and to make more equitable use of state investment in pensions by reforming tax reliefs a priority for pensions³. The welcome proposal for a 'participation income', one means tested payment for all labour market aged means tested claimants, repeats 1986 Commission on Social Welfare recommendations. In relation to public services there is a compelling argument for a social dividend to avoid the tipping point where middle classes may be tempted to abandon universal public services. The focus on the hitherto neglected role that public services play in both mainstream well being and social inclusion is refreshing. There is an attempt to begin to reconcile a rights approach in a standards based framework and to think through governance and regulation issues relating to service contracts for non government organisations in the private and not for profit sector.

The rest of this discussion reflects on the opportunities and threats posed by these NESC recommendations. Before we can do this, however, we need to question NESC's epistemological assumptions which are portrayed as 'common sense' foundations of the DWS development model: the acceptance of the present economic model, the notion that Ireland is hybrid rather than liberal regime and the weakness of equality analysis relating to gender and race.

³ By moving towards a universal resident based pension and minimum income guarantee

A critical reflection on the DWS

The DWS analysis assumes the Irish economic model is a 'given' that cannot be changed. The problem is that 'social policy as a whole is not sufficiently aligned with the economic policies being pursued by the state' NESC (2005 ix-xiii). The challenge is to reconceptualise the welfare system to 'connect more fully with the dynamic economy' and to make social policy 'capable of supporting our aspiration to be an inclusive society based on a high participation, high skilled and high performance economy'. NESC (2005:1) makes clear that

'the social dividend of strong economic performance must however take forms that are supportive of the country's ongoing ability to trade advantageously in the world economy'.

This language not only reflects but is part of the process of making social policy subordinate to economic policy. Antipoverty and equality objectives take second place to a productivist reordering of social policy to meet present/future economic needs.⁴

Elsewhere the report argues against classifications of welfare regimes. However it then presents Ireland as a hybrid welfare state rather than liberal welfare state (2005:35, 139). The conclusion that Ireland is a hybrid model is theoretically and empirically misleading. No welfare regimes fit neatly into typologies and all are hybrid to some degree. Hence NESC's insistence that Ireland is a hybrid model is confusing and unhelpful. This is especially the case when it argues this 'hybrid' model is advantageous 'and a potential strength' (2005:153). Is NESC arguing for a maintenance of the key characteristics of the Irish model: the highest level of reliance on means tested income supports and services and the highest level of inequality in the EU (2005:104).

⁴ The document acknowledges that a society is more than its economy and that there are legitimate objectives for social policy independent of fostering productivity (NESC 2005: xiv) but this is almost as an afterthought.

To suggest the basic Irish welfare model is advantageous or has served Ireland well is misleading, it obscures the reality of a failed welfare state, hides the role tax and social welfare policy plays in growing inequality and treats high levels of relative income poverty as less problematic than they really are. Defending a means-tested system means defining (and labelling) the problem as the 'welfare dependant' working aged rather than the incoherent institutions many people in which people are trapped. Sapir (2004) distinguished between efficient but unequal UK and Irish models, efficient and equal Nordic models, inefficient and unequal Mediterranean models and equal but inefficient Continental models.

European welfare typology: equity- vertical axis, efficiency-horizontal axis (Sapir 2004)

		Efficiency	
		Low	High
High Equity		Continental	Nordic
Low Equity		Mediterranean	Anglo Saxon (Ireland)

What is frustrating about this debate is that NESC on the other hand appears to agree with the thesis that Ireland most closely resembles an Anglo-saxon liberal regime and promotes an alternative Nordic regime.⁵

Finally there is insufficient analysis of how Irish social policy relates to gender or race. There is no reflection on the correlation between the Irish male bread winner model and higher rates of poverty for women. Since the reports publication the Equality Authority have funded the National Women's Council of Ireland to gender proof the document. Equality Nor is there any analysis of other groups facing discrimination. Whilst Travellers are mentioned there is no mention of asylum seekers, refugees or guest workers in terms of how they might be socially included. This is an important omission by excluding ethnic

⁵ Characterised by a stress on work incentives and low Replacement Ratios (RR's⁵), very high proportion of means tested payments, flat rate nature of social insurance payments, low social expenditure and high levels of poverty and inequalities.

minorities from Irish social protection, we are already moving towards a racially defined Irish welfare regime. Williams points to the 'racialisation of welfare politics' in many European countries "migrants have limited access to social, civil and political rights yet they are part of a political economy which depends upon their labour" (1999, 682). This omission reflects the totally inadequate representation of women and the lack of ethnic minority representation within social partnership and suggests a failure to systematically gender or poverty proof the document. The wider lack of analysis about the link between discrimination and inequality is disappointing considering the focus on targeting in the NAPS and the social inclusion discourse.

All of this of course raises the wider debate about welfare and citizenship. As we shall see NESC DWS is striking to the degree that it reinforces the presumption of social inclusion as being grounded in participation in the labour force and education.

NESC (2005:219) argues that

'meaningful participation is a legitimate expectation of people of working age (their expectation of society and society's expectation of them), only in rare cases should it be accepted that an individual does not have some capacity to develop a greater degree of self reliance.'

As Levitas observes in Britain "social exclusion is principally construed as non-participation in the labour market" (2001; 451). Levitas observes that concentrating on child poverty and pensioner poverty as opposed to poverty per se, and focusing on "*working*' families as morally more worthy than others leads to reconstructing the welfare state around the work ethic" (2001; 455). Levitas is concerned with the implications for unpaid work when paid work is equated with social inclusion. This is especially so when lack of attention is paid to the wider race and gender structural inequalities in the labour market and when punitive measures are utilised (Lister2001).

What is NESAC proposing

The NESAC report reflects a consensus style policy discourse which manages its sensitivity to difference by relying heavily on ambivalent discourse. It is difficult at times to interpret whether some proposals present opportunities or threats. With a glass half full active social policy reforms can be interpreted as moving towards a Danish style 'enabling welfare state' with employment supporting mainstream public services reinforced by targeted active measures and higher social welfare payments. With a glass half empty proposals could read as a continuation of less than adequate payments in a more 'punitive workfare' environment with access to cheap local pilots of active labour market measures. In order to unpack the proposal further we need to clarify the type of 'participation package' being offered and whether people will be pushed or supported into this 'life time attachment to the labour market' We proceed by reviewing further the three prongs of Income Support, Core Services and Activist Measures and then reflect further on whether the DWS is proposing an Anglo Saxon or Nordic style of active social policy.

Income Supports – Participation Income

NESAC prioritises progressive reforms for child income support and a universal approach to pensions. These proposals are welcome there is no sense that such payments would be generous enough to lift people out of poverty. We focus here on the more controversial recommendation for a more conditional participation income for people of working age. 'Supportive conditionality' (NESF. 1994, NESAC 1999) and 'sensitive activation' (NESAC 2003, 2005) are strategically ambivalent phrases which satisfy those lobbying for more supportive policy and those arguing for more punitive conditional policy.

Daly and Yeates note how Irish policy can be differentiated from British policy by a general reluctance to extend conditionality to spouses of unemployed, lone parents or people with disabilities. Since 2000 there has been more openness about extending conditionality and workfare approaches to these

groups⁶. NESc's analysis reflects DSFA's agenda of moving from a contingency structured social security regime to one that identifies claimants by reference to their relationship with the labour market; claimants are simply young, old or 'working age'. The 2006 Social Welfare Bill relabelling of unemployment payments as 'Jobseekers' is consistent with this policy agenda. Cousins (2005) notes the significance of this new focus on 'working age'. Such language, more developed in UK policy discourse, is highly ideologically motivated implying that those of working age *should* be at work. Moreover, "the term 'work' is restricted to market based activity and excludes much socially necessary labour" (Levitas, 2001) Cousins (2005) notes the approach has important gender implications placing all working aged claimants including mothers, on an employability continuum⁷.

NESC's promotion of labour market participation over other forms of participation including care is controversial. The childcare debate reflects a lack of political consensus about where mothers should be on an employability continuum and the lack of societal consensus about such a 'participation income' proposal. The reality is of course that women are neither exclusively at home or work but are involved in a continuum of both and that any participation income proposal must reflect that balancing act. Indeed, coercion into paid work will increase their overall burden of work (Levitas, 2001; 455)

March 2006 DSFA proposals (DFSA, 2006) to abolish the concept of the One Parent Family Payment and Qualified Adults and replace these with Parental Allowance for parents of children up to age seven and Job seekers Allowance for parents with children over seven clearly do some way to placing all parents on such an employability continuum. One important qualification is the redefinition of employment (for the purposes of satisfying available for work guidelines) to 19.5 hours per week. This clearly reflects some compromise

⁶ The Department of Employment and Enterprise promoted activation in the annual Labour Market Review (FAS 2003, 2004) and DSFA (2000, 2003) have discussed similar proposals in the lone parents expenditure review and the disability payments expenditure review

between the role of carer and worker. With regard to the UK Williams notes that the current policy discourse labels lone mothers who wish to remain in the home to for their children as 'welfare dependents' whereas married mothers are viewed as exercising choice (1999, 676). Indeed, Levitas contests that in Britain "young women are not allowed to be full time mothers" as those who are unable to live with parents or partners are obligated to live in 'supported housing' and engage in education, training and employment (2001; 452). It is not clear (because of the parental allowance to age seven and the part time qualification regarding work availability) whether Irish policy restricts parenting choice as much as the UK, not does it distinguish between low income single and married parents.

Supportive or punitive

The extent and meaning of active social policy varies enormously and it is hard to locate the present Irish activation model on a supportive/punitive continuum policies. While the emphasis is on supportive conditionality there are negative aspects to Irish activation policy. The National Employment Action Plan has focused on job search rather than skills enhancement, active use is made of sanctions, active labour market measures tend to be targeted and segregated. Welfare payments are basic and inadequate and their delivery associated with quite strong control and surveillance undertones. NESAC offers a more reassuring concept of supportive conditionality (2005:221)

'is not based on time limits or coercion but on the obligation and the need for welfare recipients and public authorities alike to periodically review the extent to which recipients best interests are being facilitated by the arrangements governing their access to an income'⁸.

'The taking of employment if coerced seldom leads to a lasting job match or provides employees with the quality of employees they seek. What can be required of welfare recipients is participation in interviews where the range of public supports available to them are explored and they are offered every assistance to identify their personal goals and seek the means to realise them'.

⁸ If such proposals to bring all labour market aged social assistance claimants into a more conditional framework apply only to social assistance claimants it could signal a new deserving/undeserving demarcation in Irish social policy?

Torping (1999) argues that positive activation policy as offensively articulated in Dutch or Danish social democratic or universalistic discourses achieve more egalitarian outcomes compared to more defensive neo-liberal welfare to work strategies (found in UK and US) which result in more in-work poor. Key features differentiate an offensive strategy from a defensive strategy. In an offensive strategy activation focused on education and training aimed at skill improvement rather than job search. Programmes upgrade the work of the general skills of the workforce instead of focusing separately on welfare recipients. A legal framework⁹ needs to guarantee a person cannot be activated into 'futile work for the sake of work'; the focus is on empowerment rather than surveillance, control or punishment. 'Relatively high rates of payment' as a key feature of a more offensive model (Torping 1999:18).

A focus on low rates of generosity differentiates Irish replacement ratios of 24% from Dutch and Danish relatively high replacement ratios (up to 89-96%) (NESC 2005:19). It is clear that ideally Sweeny (2005) interprets the DSW as having 'high replacement rates' but the written report recommends people of working age should receive a 'basic payment' to enable a 'minimum threshold of income adequacy' to 'guarantee them access to the basic necessities of life' (NESC 2005:219), the NAPS target (150 euro in 2002 terms by 2007) is 'the minimum justified by the present circumstances'. Such a payment would not offer a decent level of social protection and would lock Ireland into a more liberal type of model. Increased numbers of working poor is already a feature of Irish policy where the percentage of employees below the 60% median income line rose from 8.3% in 1994 to 18.8% in 2001 (Whelan et al, 2003:24).

NESC acknowledges that national and local institutional changes are required to deliver active social policy but do not articulate what institutional or legislative arrangements might realise a supportive reconceptualisation of mainstream employment services and local activism? It's proposal that the

⁹ If Irish social policy is to move in this direction the next step is the development of legislation to safeguard existing social rights. Van Aerschot (2003) highlights that where social policy is developing a new focus on activation alongside its traditional role of protection of social rights there is a need to apply legal and administrative safeguards to active social policy. Good active social policy is emancipatory and enables rather than denies parallel access to social rights.

National Employment Action Plan active labour market measures focus on the short term unemployed suggests that, aside from mainstream employment services, participation income recipients will revert to the local tailored activist services. This is different to the social democratic and universal orientation of the Danish offensive model requires broad inclusive upskilling programmes that focus on the all workers rather than just welfare recipients. The inclusion of employment services in the large mainstream public services section of the NESC Developmental Welfare State suggests that everyone will have access to a universal public employment service. It is not clear how this can be achieved in the context of a public sector recruitment embargo? The more marginalized will depend on ‘tailored packages’ of supports which combine income supports, access to services and where appropriate ‘unique activist measures’ capable of responding to “complex situations of people in acute need” (NESC, 2005, 172). From the above discussion it is possible to conclude that while some NESC recommendations go towards Danish flexicurity these are insufficient to lift Ireland out of a defensive liberal workfare model¹⁰.

Services Dividend

The Council alerts policymakers to a deepening dualism emerging in Ireland’s welfare state. One which exists between a growing majority of the population who supplement basic levels of public services with additional protection which they purchase for themselves and their families and a significant minority who rely entirely on public provision. NESC rightly observes that Ireland has come to a tipping point in relation to the dualistic nature of service. In this context there is a real danger that the relatively wealthy middle class

¹⁰ Torfing observes that certain path dependencies enable a more offensive model to emerge. Ireland is institutionally oriented towards an offensive model on two fronts, a tradition of high levels of investment in active labour market training and education and a separation of employment services from surveillance and control functions. Institutional reform in these two areas will be crucial in determining whether the Irish model follows an offensive path, a key question here is of course the institutional relationship between FAS and DSFA, an offensive path suggests that these should remain institutionally separate.

might come to depend on market led (and tax supported) delivery of health, education, housing, transport and employment services and that this would seriously undermine support for a residual welfare state. To avert this undesirable outcome “a radical development of services is the single most important route to improving social protection for Ireland’s population in the years ahead” (2005, 159).

However, in order to deliver or implement the services proposed by NESC for the Developmental Welfare State the report states, quite candidly, that policy makers and service providers face a number of challenges in order to promote a DWS. The principal challenge to policy makers is to ensure that every member of Irish society has access to the type and quality of service they need from the system, with quality and equity guaranteed. Yet how is ‘need’ defined in relation to public services? The concept of ‘need’ is a subjective one dependent on the values and beliefs of policymakers and government in terms of what they perceive society needs from public services. Currently, for example, parents of children with disabilities are in the courts fighting for an educational service for their children which they perceive they need but the state does not agree with.

In relation to equity the Council makes a particular reference to health care and recommends the abolishment of payment arrangements in which service providers have monetary incentives to select some service users for a superior service. Whilst the report is cautious in the manner in which it considers the two-tier health care system the repercussions of such a suggestion are manifold. Not least of which is the likelihood of an acceptance of the proposal by the medical profession and the health insurance agencies that already privately insure almost half the Irish population at a time when conversely the percentage covered by the state medical card is dropping.

Moreover, such a strategy would fail to appreciate the role of public service provision in combating social exclusion. Instead NESC propose;

“The development of integrated services system, in which the primary role accorded government is as regulator or guarantor of a diversified, high quality and equitable regime, requires harnessing the characteristic contributions of direct public provision,

non-profit organisations and the commercial sector. The end result can be termed the 'services dividend' of the DWS" (NESC; 2005, 170).

This 'services dividend' would be brought about by three developments. First, the vast majority of the population are users of the same set of core services and as such receive strong public support which in turn augments the maintenance of standards. Moreover, NESC argues that these services strengthen social cohesion

"constituting public spaces where people are citizens first and only secondly belong to different social classes, ethnic minorities, neighbourhoods, etc" (2005, 171).

Second, people at risk of social exclusion are users of these mainstream services which support their paths out of poverty. This is feasible as core services become specially customised to adapt to the specific needs of those individuals in disadvantaged social circumstances. Third NESC rightly points out the role of mainstream public services in improving quality of life for low paid workers and there is some hope that if a services dividend was realised that it could indeed make low paid work a more sustainable employment and life choice.

Services and their relationship to quality of life have moved up the NESC agenda. The question of financing the funding of those services remains unanswered to date but the priority afforded to services in the NESC Development State is an important political development in highlighting the end to invest in services with child and elder care services seen as priority. NESC signposts the development of tailored universalism through which tailored individualised mainstream services can be regulated in an accountable national framework of rights and standards with a mix of public, private and NGO delivery agents. Developing a blueprint is the next challenge.

Activist Measures

The developmental and innovative networks that worked for the economic policy are now to be applied to social policy. The third platform of the Developmental Welfare State is comprised of innovative pro-active measures in which non-governmental organisations are responding to unmet social needs in a framework where the state regulates rights and standards and where the activist providers are accountable to and monitored by the state. This arrangement tends to occur most frequently in the community and voluntary sector organisations funded by state agencies to provide services to communities and population sub-groups. Indeed we have already seen a significant use of service level agreements to regulate the funding relationship between the state and non statutory service providers. It is tempting, therefore, to see this prong of the DWS as nothing new but an attempt to provide a new public management framework to the state/community voluntary sector arrangement such as that which exists already in Britain and which Lister (2003) and others label 'managerialism'. We are told the communities and the social issues being addressed will vary and the outcomes of such initiatives will vary. Some projects may terminate following success and the solution of a particular issue, other outcomes might embed the initiative as a mainstream service (NESC; 2005, 157-8). For the many activists who spent the past decade trying to 'mainstream' innovative pilots this language sounds, at best, unhelpful.

The DWS requires much more networked co-ordination and the NESC hopes that social policy can emulate the successes of the networked developmental state which achieved high levels of FDI and positive enterprise outcomes. The integration of public services and the voluntary and community sector is complex and whilst the document acknowledges that this will require an enhancement of 'network management' expertise for public administrators and increased accountability there is no thought given to the wariness of public sector employees and service providers and the third sector to engage in the creation of a DWS. To date there hasn't been any consultation with citizens particularly those who are excluded from society and dependent on income supports or engagement with public service employees and service providers or the voluntary and community sector. As such the acceptance of

the document by these core stakeholders is unknown. Recent work by Meade (2005) highlights the level of dissatisfaction of many in the community/voluntary sector and questions their willingness to engage with government. How likely is it that they will want to work with the type of service level agreements that is inferred in NESC's discussion?

Much of the discussion of activist services, while using different language, reflects New Public Management service delivery contracts where local non for profit organisations will have service delivery contracts to deliver local innovative targeted services to those who fall or who are not covered by mainstreams services. This suggests that NESC do not expect mainstream services to realise the capacity to deliver tailored individualised services that reflect the diversity of need. This does not sound like broad inclusive upskilling characteristic of the Danish model, rather it sounds like the state walking away from those with greatest need and leaving them dependant on cheap local delivery by NGO's. In this regard little will have changed. With a glass half empty approach there will be new public management accountability requirements on already overburdened local service delivery organisations, albeit that if accountability is developed in a 'rights and standards framework and standards' the quality of service delivery may improve. Strong local government is a key factor determining effective interagency work at local level yet there is no analysis of the role of local government in local networking or local innovation.

Conclusion – How to maximize the opportunities

Before concluding it is useful to reflect on the NESC DSW reform proposals in a broader context. NESC's vision for the future Irish welfare state is consistent with a set of political ideals adopted by centre left governments loosely termed third way in Britain. Third way policy has been described as 'policy-making on the hoof', and used in an eclectic and pragmatic manner (Powell 2000; 53). As such it is well suited to Irish political culture and to NESC's concept of hybridisation.

The Third Way 'social investment state' (Giddens; 1998, 117) is based on a principle of offering those in need 'a handout, not a hand up' (Dean; 2003, 696). It "seeks to move from a passive to an active, preventive welfare state" which rejects the standard method of redistribution through the taxation and income supports system "in favour of redistributing opportunities through education, training and paid employment" (Powell; 2000, 43-4). Like NESC's DSW paid work and enabling social inclusion is the foundation stone of the Third way approach to social policy, inclusiveness and equality. (Powell; 2000, 45-6). Carrots and sticks are deployed to ensuring that those who move from 'welfare to work' are financially better¹¹.

An additional principle of the third way is a modern welfare state based on rights and duties in which "citizenship moves from 'dutiless rights' towards 'conditional welfare'" (Powell; 2000, 47). Powell asserts that building a welfare state around work "is little more than a more humane version of the 'less eligibility' concept of the New Poor Law" (2000, 56). As Lister explains this transformation in citizenship can be found in a range of policies designed to 'regulate behaviour' which "involve the benefits system not merely to promote the paid work ethic in the name of social inclusion but also to discourage and punish anti-social behaviour" (2003, 428).

Two guiding principles of the 'Third Way', 'a strong civil society with strong communities' and 'modern government based on partnership and decentralisation' are operationalised in complex partnership programmes of public, private and voluntary service providers working towards targets (Crawshaw& Simpson 2001, 4.2). These programmes assume devolution of authority and responsibility to the community level and are based on the

¹¹ The 'New Deal' is aimed at increasing labour market participation of lone parents, people with disabilities, long term unemployed and young employed males with the underlying assumption that everyone of working age should be in paid employment. As Levitas explains 'the carrots' involve 'making work pay' by subsidising employment, minimum wage and the Working Families Tax Credit whereas 'the sticks are increasingly stringent benefit conditions for all groups' such as compulsory work focused interviews for all claimants to complete benefit withdrawal for those under the age of 25 who refuse work placements (Levitas, 2001; 453)

premise of the community development orientation of empowerment and partnership (Millar, 2006). This concept correlates with DWS activist measures and social innovation networks built around service level agreements. The notion of 'joined-up government' specifically with regard to tackling social exclusion and its preference for partnerships in delivering public policy coupled with 'managerialism' as "the organisational glue that holds it all together" (Lister, 2003, 428-9).

The recent relabelling of Unemployment Assistance to Job Seekers Allowance and proposal to abolish the One Parent Family Payment and Qualified Adult payments are fully consistent with policy developed in the UK in the mid 1990's. However the introduction of a parental allowance and modification of the definition of availability for work to 19.5 hours suggests the Irish 'social investment state' has been modified to make it more inclusive of care as a route to social inclusion. This may mean that Lister's, Powells and Levitias's concerns about the dominance of paid employment have been mitigated to some extent. The more negative aspects of the Third Way (XXXXX) do not have to be repeated in Ireland.

Torring (1999:5) identifies the process of the political mediation of policy as the key variable in determining the style of welfare reform and stresses the importance of examining the discursive construction of policy discourse and the social construction of debate. While the NESC document may well be an attempt to trigger the debate it should not be the only input into the debate. In particular the debate needs to include a more rigorous gender and equality analysis. It also needs to include alternative analysis that promotes expansion of the social insurance system as a way forward (CSW, 1986, DSW 1996, Murphy 2003, Mercer Report XXX). The debate needs to broaden into a wider political context so that all stakeholders including welfare claimants can participate in the reinvention of Irish welfare. This means moving debate out of a governance style dominated by task forces and working groups and into a communicative public debate about the desirability of a more fundamental move to a more egalitarian development model with better public services,

higher social welfare rates and quality activist policies that generate more inclusive and equal outcomes. This article is a contribution to that debate.

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