

3. Social dialogue and social contract in a world at fever pitch: what are the chances?

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Introduction

The context of the 2020 conference is truly remarkable. A pandemic has gripped the world for nearly a year, now dubbed the “new normal”. But how normal was the world before Covid-19? The last decade has been anything but normal – whether viewed at national or European level, or in broader geopolitical terms. We are still dealing with the legacy of the 2008 global financial crisis and property bubble.

But even before the 2008 crash, in the “good times”, the “old normal” was not all motherhood and apple pie. For all the wonders of the booming 1990s and early 2000s, there were also the woes – widening social inequality and an economic growth based on an environmentally unsustainable foundation.

Before the outbreak of Covid-19, the public in most societies were only waking up to the existential threats of global heating and climate disruption. Here too, our “business as usual model” (old normal) threatens the physical foundations of human society. For too long, a radical shift to a post carbon economy was postponed, now making it much more difficult to achieve. It looks inevitable that we, and our children more-so, are facing irreversible climate damage (IPCC various dates) in the coming decades, and at COP26 this year hosted by the UK, it is absolutely vital that a step change towards zero-carbon is made (Klein 2015).

It should not surprise us that there is also an escalating crisis of political rationality. Since the crash of 2008, departure from the old normal has accelerated and the legacy of short termism at the micro level is fast translating into ills at the macro level and new crises of governance have increased in frequency, amid new instability at global level.

The failure of neo-liberalism revealed by the crash has in addition thrown up very disturbing trends – such as “far right” movements drumming up hostility against migrants and ethnic minorities, and the deliberate stirring-up of militant nationalist “populism” for political purposes. Instead of informed debate intended to bring some truth to the surface we are witnessing a cheapening and

spoiling of political discourse in public life, characterised by the rise of corrupt and self serving politicians, cynical media manipulation and disturbing stirrings of delusional national triumphalism, in several countries.

Ultimately, who benefits from this? The decline of public discourse, and the creep of xenophobic authoritarianism, populism and predictably, several other “-isms”, racism, sexism, ageism, ableism (coupled with climate denial, and now covid-denial) should stir us all. The rise of these ideologies is proportionate to the collapse of public discourse and social dialogue informed by the virtues of public spiritedness and healthy democratic life in the broadest sense.

In many parts of the world now, what Habermas has described and analysed over decades – the “public sphere” – is in danger of being extinguished (never mind the USA, Brazil, the Philippines, Russia, China – Habermas (2020) wrote about this danger most recently, in the German context). Against such a backdrop, the appeal for new social dialogue and social contract is, to say the least timely, urgent indeed, and bears re-examination as a way of getting to grips with today’s challenges, not just in Ireland but more widely.

Ireland now sits astride the Atlantic Economy, benefiting from growth and modernisation driven by high tech inward investment and export, and related indigenous economic expansion, inward migration, membership of the single market and pooled sovereignty of the European Union. Politically Ireland has benefited from the many regulatory human rights and social aspects of the European *acquis* too, since its accession in 1973. And despite the legacy of its own past and the many forms of social oppression that marred the independent Irish state, and the repercussions of the “Troubles” (1969-1998), Ireland has benefited from stable political institutions and democratic culture.

However, Ireland is embedded in the global economy like never before and, as a relatively privileged place, which it is now, comparatively speaking, Ireland has a greater responsibility and needs to examine its conscience in relation not only to disadvantage at home but to its impact in the wider world. Ireland may think itself clear of the dangers of right-wing populism etc. – “the best little country in the world if it wasn’t for the weather etc.,” – but we saw what followed the hubris in relation to the economy in 2008. We should not be complacent.

Learning from experience

Ireland’s experience of social partnership and other experiments in participatory democracy such as the citizens’ assembly, provide much to learn from in relation

to promoting social dialogue. In the period from 1987 to 2008, in a strictly Irish context, a new form of social dialogue, social partnership in support of a social contract, was established in Ireland.

While neighbouring Britain forged ahead with New Right policies of class confrontation under Mrs Thatcher, in Ireland such confrontation did not happen as state and interest groups found a path to social partnership. At the same time, this path moderated rather than confronted the embrace of neo-liberalism. Where the UK saw great discontinuity from 1979, Ireland saw considerable continuity as it continued its own policy of attracting FDI and engaged actively and profitably with the process of globalisation as the latter deepened in the 1980s and 1990s.

That long period of continuity – which stemmed from the replacement of protectionism and inward mindedness – was abruptly interrupted by the crash (see Roche et al 2017). When the financial and property bubble collapsed in 2008, the fortunes of many changed for the worse. With falling pay and rising unemployment, thousands of house purchasers, mostly mortgaged to the hilt, fell into negative equity and arrears, while increasing numbers joined the ranks of private tenants facing escalating rent, and homelessness increased (Hearne 2020).

One bright spot in the wake of the crash was, and some considerable part of the credit should go to CORI Justice and others in the Community and Voluntary Pillar, that the social security system provided some income protection in the course of the ensuing austerity in Ireland. This in turn had deeper underpinnings in an underlying social contract endured even amid this change. The basic social security system, largely a variant of the UK heritage stemming from the New Liberal reforms of 1906-14, which in the Post-WW2 years, echoed the Beveridgean welfare state, and expanded in the 1960s, has, despite the turmoil, endured (McCashin 2004; 2019).

One of the main innovations in social dialogue in Ireland was the extension of participation in social partnership beyond the interests of Business, Farmers and the Trade Unions. In my book (2014) on the Community and Voluntary Pillar in Social Partnership, I summarised my assessment of the Community Pillar in terms of a concept of “asymmetric engagement”. At the heart of this concept is that contemporary polities are characterised not by an unequal balance of resources, but an unstable balance of power and an ongoing contestation around legitimacy ensures that this asymmetry is not stable. Seen alone, the Community Pillar could be easily dismissed, especially as compared with the resources,

economic power and bargaining positions of employers, or the bargaining strength of trade unions. However, when studied over time – I covered 20 years – the Community Pillar, made up of small currents, mini-movements, articulate analysts, and policy-entrepreneurship, these “junior partners” come out of the analysis much better than many expected.

But their influence derived not from their acknowledged internal virtues in isolation, but from how these virtues can impact in the wider context of economy, state, and civil society. Economic fluctuations, political cycles and other dynamics and instability, make for shifts in the “demos”, when they manifest in crises of legitimacy and political rationality in government. Moments of possibility can arise, and these moments can become windows of opportunity, when “tried and tested” recipes and politics are seen to falter. In such moments, the small currents with the critical analysis can indeed make real connections with these shifts in the electorate, or wider body of citizens.

I do not wish to overstate this influence. The CVP was not powerful like the business sector, farmers or the trade unions. Those constituencies had greater resources, and considerably more bargaining power, even if there was inequality among them too. However, it would be wrong to characterise the CVP experience as one of incorporation of dissent without any gains. There were “wins” and tangible benefits, and several significant changes of policy direction within a broadly framed model of “liberal” representative democracy. There were gains in relation to poverty, gender inequality and local participation and community development, apart from the intrinsic benefits of participation in negotiated governance by more marginalised sections of society.

From a social dialogue perspective, however, the abandonment of social partnership by the employers and government in the aftermath of the financial crash, also revealed how asymmetric this system of engagement always was, not only in relation to the CVP but also the union side. The Irish experience of those decades can provide insights for the emergent challenges of the present and the future in Ireland.

A world at fever pitch

However, contemporary challenges in Ireland are increasingly global in character. The financial crisis of 2008, despite its accentuated effects in Ireland, was ultimately global. Similarly, climate change is a global challenge. And, of course, the Covid-19 crisis is global.

2008 was the moment when the neo-liberal super project turned visibly sour. It revealed all too well what happens when neo-liberalism is not embedded in correspondingly strong countervailing norms, institutions, and distributional Justice, typically underpinned by the state. Since 2008, the world has been living through what Crouch (2011) described as the “strange non-death of neoliberalism”. The project is now headless but still running around the yard. In effect, the framework of national states has been overwhelmed and, without a new global accord and new paradigm, there are real dangers now.

Strategically, at global level, the crash accelerated the changing balance of power, not just in economic terms but in geo-political terms (see for example the startling analysis of Graham Allison 2017). China, already the workshop of the globalised world by 2000, continued to tow the world economy out of the doldrums after 2008, and came onto the global stage as a major regional and significant global power. It still grew during the great recession, albeit not as rapidly, innovating in every field, exporting capital and emerging as a strategic player through its “Belt and Road” strategy, and increased influence in the South China Sea and more generally in Asia, Africa and even in the antipodes.

In the US, after the financial crash, the Obama presidency (2008-16), while leading a recovery at home, also recognised this changing scene and, despite the ongoing crisis in the Middle East, tried to develop a “pivot to Asia” in his foreign policy. And yet there were some signs of dialogue before 2016. For example, after decades of dithering on climate action, the USA and China began to recognise the urgency of coming to grips at a global level with the shared challenge during the 2015 COP21 climate talks, which ended in the Paris Agreement. Limited though this step was in climate terms, it was a rare “yes we can” moment, an opening for common purpose that might even have improved the chances for diplomacy around the Pacific.

Of course, this hope proved premature. The subsequent US administration (2016-2020) reversed all that, abandoning the Paris agreement, baying against climate science, and making an obsession of “China”, not as a coherent strategy, but as one more theme making a “reality TV show” of the US presidency. Tragically, as the extreme manifestation of the pandemic in the USA reveals, government by bully-pulpit tweets on social media is no substitute for the hard graft of political and social dialogue. But the Trump presidency, like some other presidencies across the planet today, is symptomatic of the bizarre world of “post-truth” and typifies the wider vista of the “strange non-death of neoliberalism”, as Crouch puts it. Another four years of that would be catastrophic.

A snowball's chance in hell for dialogue?

Reactionary populism seems like a good term for what we are seeing across the planet today, and it will not fall back of its own accord. It is “reactionary” in the sense that it lacks cognitive content, and is driven by nervous reflex, fear and despair. This has happened before. It is what lay at the root of Fascism in the 1920s and 1930s.

Today, and not only in the USA, there is a partial collapse of trust, belief in liberal democracy, separation of legislative, judicial and executive power. Respect between nation states, and respect within them, safe harbour for refugees etc., have been dealt a serious blow.

Nearer home, the 2016 Brexit referendum, passed by a whisker amid whipped-up fears of migration, has several of the characteristics of reactionary populism, replete with brinkmanship, breaches of trust in cross-national co-operation, stifling meaningful dialogue, breaching parliamentary rules and renegeing on treaty obligations.

There are ample signs of the same dead-end politics elsewhere across the continent of Europe. Although the EU is seen as a collegiate entity, more than the sum of its parts in ways, and has held the line in broad terms, Europe's member states too are laced with dangerous trends and the EU itself consequently has not covered itself in glory on refugees.

The reason for these broader observations is that the world is now more tightly knit. Time and space have been annihilated by communications technology such as the platforms we are using for this very conference. Which is good! But as Ulrich Beck pointed out (2007) global economic activity has now overspilt all previous boundaries leading to environmental destruction and created, globally, a “risk society”. The climate crisis is a mega risk which epitomises this.

But these risks are multidimensional, financial, social, environmental, human, and consequently, and crucially, political. The biggest threats now are to democracy and nation-state institutions. And not only national institutions: White House badmouthing of the UN, and latterly the WHO, has become a worrying feature of his reactionary populist outpourings. These fragile and sometimes imperfect institutions were created to defend human rights conventions and protect health and wellbeing globally, and also to shine a light on violations by governments across the globe. Pulling the rug from under these bodies, is a cynical act beyond compare in recent times.

Against this backdrop, there is a compelling argument to address the question of social contract in new conditions: conditions that are now much broader in scope and global in scale. We, as a planet, face a choice between attempting to develop responses cognitively through a new dialogue, political and social, or simply marching on, brainless, based on some notion of the old normal.

What are the chances of Social Dialogue?

The sophists of the ancient world could, if paid enough, argue a hole through any pot, prove any point, and simply win any dispute. In effect, the truth was whatever you could make people believe it was. Socrates, on the contrary, argued that it was valid only to pursue truth, ask questions, and thrash things out “dialectically” to reach valid propositions.

Out of this dedication to truth through dialogue, emerged the influential political and moral philosophy of Plato and Aristotle and a legacy that has been part of philosophical debate to the present. Not everybody agrees with the Platonic view of the world today, of course, but many appreciate it. (Guthrie 1950). Today’s world is replete with what the modern equivalent of sophists – spin doctors, partisan “think tanks”, pseudo-scientific institutes funded by the tobacco, coal and oil industries, political shock jocks and any number of people skilled at and ever willing to argue holes through different pots if paid enough. But who now remembers the names of the sophists and who would want to be remembered as one?

I do not know what the immediate chances of such a dialogue are, against the prevailing hegemony. As I have argued, however, asymmetric power and resource inequality cannot indefinitely override the independent voices, the Socratic minorities, championing social justice at national level. Scaled up, the same dilemmas face the the prevailing hegemony across the planet as face it within nation states, which is a cause for hope. The evident failures in global arrangements demand a new dialogue that is fully informed by the best science, uncorrupted by vested interests, and value-driven towards just social institutions and processes.

Welfare states as social contracts

Today, the term social contract is commonly used to refer to the post-war “class settlement”, embodied in the modern welfare state and backed up by Keynesian macro-economic management, and sometimes buttressed by active mechanisms of extended political exchange or negotiated governance in the form of social partnership or neo-corporatism.

Not all founding thinkers on the welfare state have viewed it in social contractual terms. In his classic text, T H Marshall (1950) viewed the welfare state not as a social contract but as a completion of the growth of citizenship, seen (in England anyway) as a progression from *civil* rights in the late 18th century, through *political* rights in the 19th, and followed, after a long period of turmoil ending in 1945, by *social* rights.

Rawls (1971) however, did. He drew on classical social contract argumentation in such a way that it provides a logical basis for the welfare state. He starts by addressing the more general problem of social justice, and resolves it through principles of a social contract. This “contractarian” approach he derives, unlike Marshall’s appeal to an immanent social dimension of citizenship that might be viewed as teleological, by following a ‘rational’ logic. However, while utilitarian thinkers using individualistic assumptions about human nature, usually land on the “market” as ultimately the best of possible worlds, Rawls, by starting from a similar methodological individualist position, putting equal liberty to the fore, reached a different conclusion, one which heftily qualified the writ of the market by so arranging resource inequalities as to benefit the least advantaged.

Whether argued in Rawlsian or in the more general form of a class settlement, the term social contract has often been fitted to the welfare state as an implicit or explicit acceptance that capitalism will live with substantial state intervention, while its critics and opponents will concede the rights of private property and capital accumulation.

Renewing the social contract and reinventing citizenship

The welfare state settlement has been attacked, particularly since the 1970s, but has survived. It has survived the crisis of the 1970s, the decades of neoliberalism, and even the post 2008 austerity. Now, however it will need to be reinvented in the context of the breakdown in the neoliberal super project and the need for a truly super-project against climate change.

There are some big questions to confront if the social contract is to be revisited and renewed for the coming period. Much has already been done with the welfare state. It used to be heavily gendered, dominated by a male breadwinner model (Daly 2020). That has changed, somewhat. It was originally conceived as a national level contract but, with greater economic integration, migration, and transnational markets, much has changed and renewal of the contract must become internationalised. And, of course, it must be consistent with and even

contribute to environmental renewal. Here are some aspects worth considering as part of the needed dialogue

Break from neo-liberal capitalism

Since the 1980s the adoption of neo-liberal policies has had a good run. But it is out of time. It is generating greater inequality, macro-economic instability, financial bubbles, environmental degradation, while the privatising of vast areas of what was once part of the welfare state, in pensions, health, education, etc., will just reinforce inequalities.

It's the growth economy, stupid!

Growth is always seen as the solution to problems under capitalism. However, the growth model of the neo-liberal era, from the late 1970s, is environmentally dangerous beyond imagining and ultimately threatens the natural foundations of human life and society. A child can see this.

What is to be in a green new deal?

Environmental sustainability will not be ensured through “green growth”. Growth itself is a problem and needs to be addressed. Our planet is finite, and some form of steady state economic and environmental equilibrium is needed. We are not anywhere near resolving this issue yet. Again, we face the vexations of being locked into growth in general, for the sake of profit.

A just Transition to post-carbon societies

Gough (2018) has outlined an argument for a new type of settlement, in the form of eco-social states based on a just transition to a post-carbon society. This is underpinned by the view that human need and not consumer preferences must be placed at the centre of a new economy. Any new settlement must tackle social need and decarbonisation as two pillars of an integrated strategy, defining greed (new-liberalism, and now worse things) as it is part of the problem, and not of the solution. Then, perhaps, we can solve the equation.

Inequality:

According to Piketty (2017) and others, the declining inequality of the mid-20th century went into reverse after the 1970s and constitutes a serious issue for social solidarity and ultimately political cohesion. It is a trend that must be reversed. The rise of the super- and hyper-rich too is an acute source of danger and political corruption because it can trigger reactionary populism at will.

Gender, Diversity and civil rights:

There remain other substantial key questions, including the need to eliminate inequalities based on gender, colour, nationality, ethnicity, sexuality etc. While this might fall under the heading of social rights, there is also a strong civil and political rights dimension here that is far from being realised. Indeed, these basic civil rights are threatened and regularly violated in the context of new right politics.

Global (and local) governance:

The challenges of economic management today are increasingly beyond the national state and forms of transnational governance are vital for the purposes of regulation, redistribution and democratic governance, in a world where massive private corporations and large private businesses are in a position to influence the policies of sovereign states to avoid and reduce tax liabilities and accountability. Local governance too, and bottom up democratic engagement, needs to be renewed urgently, to challenge the granular local and granular sources of reactionary populism. Nation states can do better in such a renewed top down and bottom up politics.

In sum

The world is in a bit of a mess. It will require global solutions arrived at through valuing of the public sphere, development of social dialogue and hammering out a new version of the social contract. This time, not just a class settlement is needed but a more encompassing settlement that addresses environment, economic management, and human rights across the broadest range of difference between people and in the most complete sense, civil, political and social. Can we do this? Yes, probably.

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