

Karolina Kichewko

EUROPEAN SOCIAL PACTS POLICY (THE NETHERLANDS, IRELAND AND ITALY)

DOI: 10.1515/ppsr-2015-0007

Abstract

The main aims of this article are: a presentation of the theoretical framework for the analysis of the social pacts policy (taking into consideration that social pacts are phenomena which are very difficult to clearly define) and the presentation of the practice of this policy in chosen European countries (including three cases of “using” social pacts for the shaping of public policy, taking into consideration the fact that the form and content of social pacts vary from country to country). Social pacts are very special kinds of agreements between the representatives of the state and the interest groups. They can include various issues of social and economic policies, but they can also be used for solving economic difficulties and sustaining progress, including the development of the state. Social Pacts Policy is useful for a weak state and interest groups, which as a result of it can have an influence on public policy. Although, its application is not a facile process of agreement between the state and the social partners, it can have various forms and can include different goals of social and economic policies. Similarly, the range, institutionalisation and length of social pacts are not the same in all countries. Moreover, as the article indicates it refers to the economic, cultural and social circumstances, which can also cause the disappearance of the social pacts mechanism.

Keywords: social dialogue, social pact, social partners, and industrial relations

Analytical Framework for Social Pacts

It is often the opinion that the conclusion of social pacts is caused by secondary (external) factors related to domestic, social and political conditions. Presenting this thesis in a different way, we say that *inter alia* global pressure, world competition and European integration enforced the conclusion of a deal between social partners and the government (see: Baccaro, Sang-Hoon 2008a). On the other hand, there is the opinion of which “shock of system being a direct impulse for conclusions of social pact can be caused by the factor of different nature, for example macroeconomic crisis and it taken place in Ireland in mid 1980s” (Baccaro, Sang-Hoon 2008a, 18). However, in this study we will not consider which of the above-mentioned endogenous or exogenous ways of explaining the conclusions of social pacts roots is correct or more significant (i.e. which has greater driving force). But via the use of Western-European state practices we will show the significance and importance of this category (social pacts) for effective state functioning in the area of industrial relations. Concluding an axiom for us, will be the high value of social pacts, in particular in the context of the management of social change (creation of public policy). The significant and important role of social pacts refers to the possibility of creating social consensus over the main disputable issues of social and economic policies. They, therefore,

can help to avoid industrial conflicts as well as creating a common understanding and a way of fight against unemployment and social exclusion etc. What is accepted by social partners and state agendas. In this sense, social pacts policy can be seen as an improvement of the state's functioning through the assurance of social peace and can be a manner for the shaping of economic and social policies which is accepted by the industrial relations actors. Of course, there is the possibility of security and the realisation of the interests of chosen groups by social pacts, but it is related to representativeness into the social dialogue at a central level. Moreover, another problematic issue can also be the functioning of social pacts in changeable economic and social conditions which have an influence on the filling out of social pacts records or the non-realisation of pact records. For example, a situation like this occurred in Ireland, where the current agreement is a ten-year pact due to unrealised issues in the "traditional", previously three-year social pacts.

In this fragment of the article, we may formulate the following research questions: (1) Can we define social pacts policy in a clear way? (2) What issues are regulated by social pacts? (3) Does social pacts policy create economic as well as social policies? (4) Is there one pattern of social pacts policy in European countries? We can also make three hypothesis: (1) The economic difficulties lead to the conclusion of social pacts. (2) There are various ranges of European social pacts and they include the various issues regulated by such social pacts policy. (3) There are different "models" of social pacts policy in European countries. In other words social pacts have different forms from country to country within Europe.

For the realisation of the above-mentioned, the structure of the article will be as follows: in the (first) theoretical chapter there is consideration of the term "social pact" as well as an interpretation of social pacts policy. In the (second) practical chapter, we will present three chosen case studies describing the use of special pacts policy. In the final part (conclusion) we will recapitulate all considerations.

Focusing on the theoretical side of social pacts we can say that especially strong social pacts have appeared in Europe, they are an immanent feature of social dialogue, they can even be described as one of the most perfect aspects of it. Nevertheless, an understanding of the essence and significance of these forms is an extremely difficult process because there are serious semantic variances in the area and on the other hand, the process of understanding them is complicated by the mixing of some varying terms. Therefore, in Western-European practices for the description of the analysed category in this study we use *inter alia* following a cluster of ideas: social pact, social charter, social code, social rule, frame agreement, general agreement, procedural agreement, basic agreement (Sroka 2009b), social partnership agreements etc.

One can ascertain that neither social dialogue nor social pact have a clear definition. It does not imply the existence of an explanation gap in the literature of the subject. The publication edited by Rafał Towalski emphasises that social pact „is a particular kind of collective agreements in which the state participates” (Towalski 2007, book cover). Whereas, as Jacek Sroka underlines „social pacts are the exceptional important acts, their initiator is mostly government, which aims to social partners' enlisting for defined reforms' programme in following issues: reduction of unemployment, wage freeze, reduction of inflation, of trade deficit, or integration with international structures” (Sroka 2009b).

It cannot polemicise with the opinion that the conclusion of social pacts is a „political product”, since the inclusion of social partners into the process of the creation of public policies is an aftermath of the government’s weakness and consequently the impossibility of independent implementation of reforms (see of it below). On the other hand, the opinion is also valid that a range of the state’s involvement in the process of creating a social pact is varied, because the state can only play the role of signatory of agreement. It can also play the role of active mediator in the communication between social partners, approving the decisions which are taken by other actors, but the state can be the initiator and supporter of social pact negotiation processes, too (Towalski 2007). Although, the range and profile is at the same level as social partners’ „participation” in this agreement is also different, but „in traditional understanding all forms of regular contacts and agreement between the employers and the employees are significant” (Towalski 2006, 44). Of course, it is not a sufficient understanding, because social pacts currently include a wide range of economic and social issues, therefore these agreements contain not only a deal between traditional social partners (such as trade unions and employers’ associations) but they also include a wide pillar of social organisations (NGOs). Therefore, the negotiating actors’ ring is wider but this notice refers to certain states. An exemplification of this opinion is the Irish social partnership, which since 1996 the community and voluntary pillar have participated in negotiations at central level, the National Economic and Social Council (NESC) includes the environmental pillar, community and voluntary pillar as well as, of course, the trade union, business and employer organisation, agricultural and farming organisation pillars (the traditional social partners), the representatives of government departments and the independent nominees.

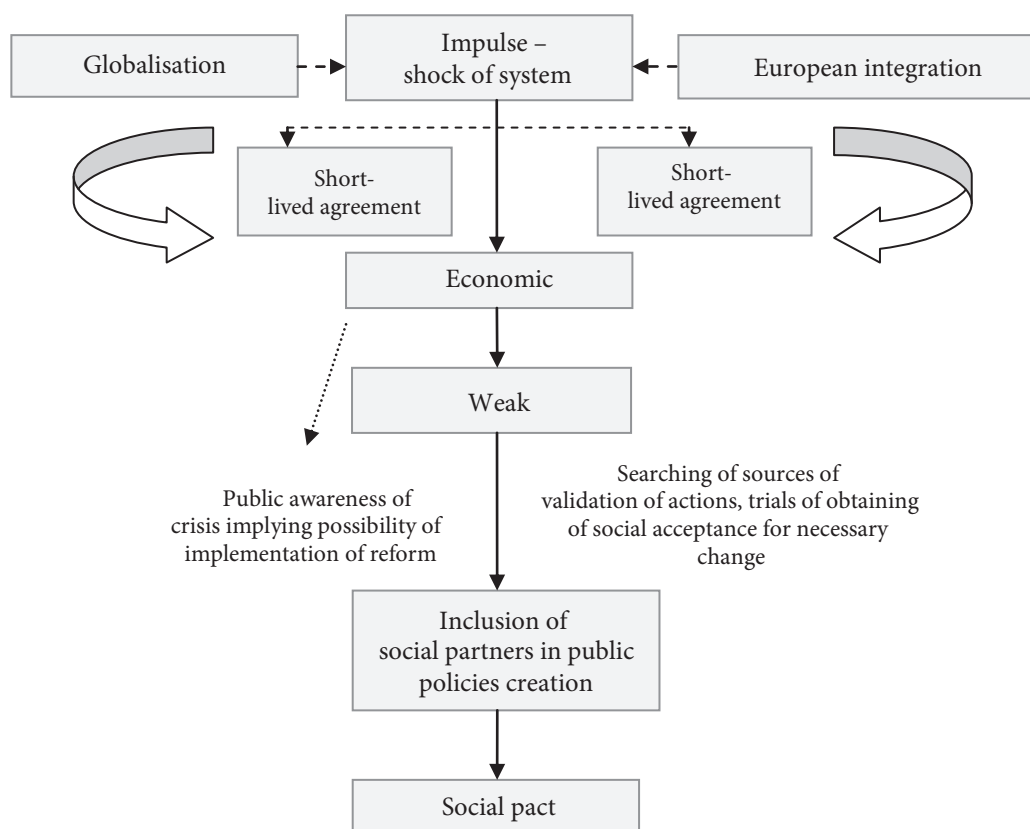
Therefore, social pacts policy can be interpreted as an important part of social dialogue (materialising it in concrete records within the agreements) which leads to wider social compromise over the principles and rules in the social and economic area including the labour market and it also regularly appoints the trajectories of versatile state development. It includes not only economic issues, but also (equally) social questions. The above-mentioned example of the Irish social pacts policy confirms this feature. „In the early 1990s, the common understanding (in this country: author’s note) also includes labour market policy matters and active local interventions undertaken for social issues such as: qualifications, local recovery, literacy, drug addiction etc. Therefore, an agreement is not only limited for economy as it would not be enough” (O’Donnell 2007, 69-70). Hence, social pacts, obtaining their power from a synergy effect, do not require an accidental, chaotic approach for economic and social difficulties, but they require a focus on national priorities, including solutions that realise these priorities which will be close to the social (cultural) context of every state.

European Social Pacts

The threat of social balance is a factor which strongly determines the conclusions of social pacts. Based on this opinion, we can say that the crisis in the economic area combined with the political (government) impasse is the factor delivering social pact potential.

Indeed, observing the experiences of European social pacts and paying attention to the social, political and economic environment in which they are made. The crisis in these three areas has become the factor in creating the social pact potential in Ireland, Italy and similar conditions have led to the “implementation” of social pacts policy in the Netherlands. Below, we will make a brief analysis of Dutch and Italian pacts and a wider analyse of the Irish pact process, which has been recognised as a very effective system for the exploration of the mechanisms offered by the social partnership formula.

Figure 1. Scheme of creation process of social pact



Source: own study on the basis: Baccaro, Sang-Hoon 2006a, 17-21.

Lucio Baccaro and Sang-Hoon Lim stresses that „analyse of Irish, Italian and South Korea examples permits to make a thesis that social pact is result of occurrence of »weak and moderate«” (Baccaro, Sang-Hoon 2008a, 17). In this context, social pacts seem to be the outcome of the agreement between the weak government combating politically as well as the economic crisis with the most moderate fraction in the union movement (Baccaro, Sang-Hoon 2008a). Therefore, the time of conclusion for social pacts is usually a critical time determined not only by the deep economic collapse of the state, but also by the impossibility of the government’s independent function. That government with its weak position („related with parliamentary election”) loses the opportunity for any real

influence on social reality. To paraphrase, it is weak for independent decision making to lean towards crisis combat too, which implies the necessity for the conclusion of broad social coalitions, which will permit a way for working out a change of negative circumstances. Generally, in times of a weak state, there is no way to solve the social problems, and from the broader method of sustaining development and progress, this paving the way for social partnership (or a social partnership network) permitted to shaping a network of relations, in which social partners and the government through the use of their resources aim for the desirable social changes (results).

However the economic crisis is also (if not mainly) determinant for the process of building social pacts (a scheme of this process is presented in figure 1). It seems to be confirmed by the practices of the above-mentioned European states. The Irish as well as the Italian social pacts policy was borne in conditions of serious economic difficulties. Similar problems accompanied the conclusion of social pacts in the Netherlands „which had passed by 1970s and 1980s (called Dutch disease) to the prosperity period (Dutch delight)” (Kowalski 2006a, 51) and the significant reason for this bloom is due to social dialogue and partnership mechanisms.

Focusing on three chosen countries and nationalities (Dutch, Irish, Italian social pacts) we will seek the indicators which have similarities in the social pacts policy area. Although selection of these cases permits us to present an analysis of differences in this area. In the context of similarities, we will consider the factors that “bring” social pacts and also indicate that the unemployment issue is an important impulse for cooperation over social pacts (at least in the initial phase of social pacts policies). While the differences which are visible in Dutch, Irish and Italian social pacts policy will be useful for an indication as to the topic of institutionalisation (deep and permanent use *vs* temporary use) as well as the various range of agendas within social pacts policy.

Dutch Social Pacts

As stressed above, the Netherlands is a country which also uses social dialogue mechanisms. It is a matter of fact that social dialogue helped in passing from the difficult economic situation to the Dutch prosperity period permitting the reduction in unemployment or the liquidation of a flexible and “broken” labour market. Social pacts in the Netherlands were strongly focused on shaping the situations in the labour market. The Wassenaar Agreement was one of the first social pacts to be concluded in Europe (Kowalski 2006a, 51). It initiated the policy of wage restraint. „The primary motivation for this policy was the rapidly growing unemployment and massive lay-offs at the beginning of the 1980s” (van het Kaar 1997). Therefore, this agreement, which was signed by the representatives of government, employers and employees in 1982, aimed at growth of competitiveness as well as the creation of jobs in the Netherlands. Moreover, it included wage moderation and reduction in working time. Therefore, this case is important because it was one of the very first social pacts policies in Europe.

Irish Social Pacts

Indeed, in concluding the understanding of social pacts policy in individual states, we do not simply analyse the main foundations of these agreements, as a simple explanation of their outcomes does bring „not too much”. Therefore it is necessary for deeper recognition in the social and economic context, in which they (social pacts) are created. We will commence an analysis of each social pact system by showing the conditions accompanying these kinds of agreement constructions.

Looking to the early 1980s and the grave economic collapse visible in Ireland. In this country, which was „hard done by» in the international race for prosperity and better living standards. The two key questions dominating political and economic conversation were, firstly, who was responsible for this economic mess and, secondly, how could we get out of it?” (Hastings *et al.* 2007, 1). One time Ireland’s unfavourable situation, appointed by *inter alia* the high unemployment level, excessive expenditure in the public sphere, low competitiveness, deep inflation, a grave area of emigration, had required not only the government’s activities, but also wide social consensus referring to a way of getting the state out of crisis and reducing the claims declared by all social partners. A significant problem was the unemployment rate. Before 1986, the level of unemployment rose to 18 per cent in Ireland (Hastings *et al.* 2007, 1), although its real size was considerably higher. In this context “it should” cite the Billy Attley’s statement which accents the seriousness (size) of the unemployment problem in the 1980s in Ireland, he said: „I remember talking to somebody from Trinity in 1986 where the whole engineering class of that year went first-post out of the country. There was no work for them, simply no work. So it was like a plague, every house was touched by it and when you talked to people [...] all they were talking about was don’t mind about pay if you could get a job for your son or daughter, if you could get them into employment of any description and keep them home” (cited by Hasting *et al.* 2007, 9).

Moreover the application of measures such as “a transformation” of people registered as unemployed to people who have a right for early retirement, which implied that a considerable majority of them would never return to work again, was also significant. In the analysed period here, the number of people out of work was permanently growing which can be illustrated by the growth of dismissal at work which jumped from 91000 in 1980 to the level of 226000 in 1985 (Hastings *et al.* 2007, 2). The Condition of the Irish economy was made worse by a serious growth in taxation. As Paul Tansey notices „the marginal rates of tax for single people earning average manufacturing wages rose from 39.5 per cent in the 1980-81 period to 56.6 per cent five years later” (cited by Hastings *et al.* 2007, 2). Emanation of the wrong situation in Ireland (which is a natural phenomenon in the context of the above considerations) was the high frequency of strikes. They had a large size in the mid 1970s, although in the late 1970s and in the early 1980s they had reduced in tendency and a similar (but more downward) tendency in the strike area can be observed after 1987 (see: table 1.). Generally, current Irish industrial relations can be defined as more cooperative (peaceable) which transfers as a fall of a works day lost, this economy is rarely „shaken” by larger strikes.

Table 1. Strikes 1962-91

Year	Number of Strikes	Workers Involved	Works Days Lost
1962-66	418	141,664	2,219,011
1967-71	606	194,100	2,805,715
1972-76	817	168,899	2,038,178
1977-81	712	174,968	3,424,294
1982-86	686	306,388	1,951,079
1987-91	272	68,415	766,519

Source: Roche, William and Tom Murphy (eds) (1998), *Irish Industrial Relations in Practice* (2nd edition), Dublin: Oaktree Press, cited by: Hastings *et al.* 2007, 3.

Ending the considerations regarding the „quantitative” issues, we will pay particular attention to the acute issue of emigration, because it was a significant Irish problem during this period (but not only). Emigration followed in waves from the period of the Great Famine and caused a fall in the population from 8 000 000 to 4 000 000 in 1980 (from it only 2 900 000 people lived within the Republic’s border) (O’Connor 2008, 52). The above-mentioned indicators do not describe in an exhausting way the economic and social problems which caused the economic collapse in Ireland, because their accurate analysis would require individual study, therefore they serve to show the size (intensity) of factors determining the crisis.

Irish economic success can be interpreted in various ways¹ including by the application of a social partnership approach to industrial relations. The „success of the Irish partnership is merit to the fact that we have succeeded in narrating once again our social history in another way. We have linked all social groups in this new narration referring to the social challenges” (O’Donnell 2007, 71). The shaping of efficient social pact mechanisms has been possible due to the existence of a strongly cooperative mindset of Irish representatives of government as well as social partners (which included employers, employees and farmers in the initial period). The Irish endogenic feature is the result of this country having a powerfully appointed Anglo-Saxon (antagonistic) tradition which changed its industrial relations under a model that distinguishes considerable levels of cooperation. In effect, it brought a national partnership idea, which materialised in the social pacts of 1987 (see: table 2), which were concluded over a three-year period. That interval of time was characterised by all previous agreements, although not all issues were regulated by pacts over such a long period (for example in the pact entitled Sustaining Progress wage agreement was only an eighteen months deal, not three years pay agreement). And the current social partnership agreement in Ireland is a ten-year pact.

The evolution of Irish social pacts policy is a natural practice, because over the first years of the pact process, Irish social partners’ activity was focused on the mechanisms permitting the overcoming of the crisis and its pejorative consequences. Although it should be emphasised that „modern” Irish social pacts have their roots in the wage

¹ Ireland’s success is interpreted in various ways and in this context it indicates the investments aboard, neoliberal interpretation as well as European integration.

agreements of 1970s². The first Irish social partnership document Programme for National Recovery (1987 – 1990) was concluded under critical circumstances that assigned the framework trajectories of development of state through the more effective use of human capital, economic and social resources of state. Moreover, it paid attention to issues such as European integration, globalisation (which was related to the definition of Ireland's role and position under these conditions), pay policy, taxation regulation, social equity, employment policy, labour legislation and competitiveness. In these spheres, it anticipated the definite measures, for example a verification of the tax system, improvement of tax enforcement, facilitation of access to education for disadvantaged groups, pay increases, the black economy, development of the states' industry etc., this seven-section pact³ begun the period of Irish prosperity.

As we have noticed above, Irish social pacts clearly changed their character, passing from the macroeconomic issues to the wider matters of the labour market, training and education plus social areas etc. Therefore, the range of social pacts was gradually widened, adjusting to the conditions and situation of the country, for example, the Programme for Prosperity and Fairness (2000-2003) tended towards the creation of solutions which are agreeable to the permanent, dynamic development of Ireland, and it also included social issues such as housing, public transport, rural development and social inclusion, adaptation for continuing change with lifelong learning, childcare etc., a significant issue was also the renewal of social partnership. With the changed process of social pacts in Ireland, we a wide change in the area of subject issues, which was linked with the pillars participating with the social partnership process as well as the changes in the period of agreements. Firstly „from 1996 the process was widened to include a range of social NGOs known as the »community and voluntary pillar« (C&V)” (O'Donnell *et al.* 2010, 1). Secondly, from 2006 currently a ten-year framework agreement (Towards 2016). The Ten-year Framework Social Partnership Agreement 2006-2015) is in force in Ireland. The elongation of the social pact period has mainly been linked with the perception that certain foundations of the pact cannot be realised in a three-year period and they require a wider framework of time. Although, there is the feeling that certain issues amongst the pacts foundations cannot be realised even in a such long period. And the pay issues are excluded from the ten-year period because the wage agreement from Towards 2016 was concluded in twenty seven months. This agreement strongly shows the significance of social partnership as an essential element for the multidimensional states' development, (for economic and social matters, including macroeconomic issues, economic development, children, people of working age, older people and people with disabilities). Moreover, this agreement focused

² It can accept the opinion that Irish social partnership is a continuation of pay agreements which were concluded after the second world war, especially including the period of social partnership experiments in 1970s Ireland aimed at the centralisation of collective bargaining and the opinion can also be accepted that partnership agreements are a completely new quality in the Irish system.

³ Section I European Community Dimension, Section II Macroeconomic Policies, Section III Tax Reform, Section IV Greater Social Equity, Section V Employment, Section VI Labour Legislation, Section VII Review and Monitoring Committee, Appendix State-Sponsored Bodies – Proposals. See more: Government of Ireland, 1987.

on issues such as the macroeconomic area, productivity, innovation, knowledge, society, enterprise, different branches of industry, art, culture, sport area, workplace, employment rights etc. The social dimension of Towards 2016 is reflected in The Lifecycle Framework. According to it a person is a superior element of social policy and it distinguishes in this context the phase of childhood, people of working age, older people as well as people with disabilities, simultaneously showing the certain actions, which have an application in the definite life cycle, for example education (lifelong learning), has high significance to people in the working age phase. The Pact touches the issues of public sector modernisation showing the necessity for active participation in the process of employees, of the cooperation of civil servants and the necessity of “modern” qualifications among employees in the public sector.

The above considerations can be completed by one more conclusion. There is also a critical (negative) strand towards social partnership in Ireland, criticism of this idea, by referring (for example) to this idea as „being a funny form of democracy” (O'Donnell 2007, 72) in which the democratically elected government shares its rights with social partners or signs agreements with them. Therefore, despite the wide application of social partnership in Irish industrial relations until 2009, it was also criticised in different ways. Now this system does not function in Ireland, it has collapsed „after the government announced that talks with the public sector trade unions on an agreed method of securing a €1 billion reduction in the public pay bill had failed” (Sheehan 2010).

Italian Social Pacts

In Italy the economic and political crisis had „accompanied” the creation of agreements between the representatives of social partners and government. The unprofitable economic Italian position was linked with the problems of the exchange rate, reduction of exports and the increase of imports. The situation in Italy was deteriorated by the wave of political scandals referring to all-embracing corruption which touched all parties. Therefore, the economic crisis, political chaos (action of clean hands) determined the changes, including the social dialogue system.

The history of Italian social pacts is linked with the 1980s period, although these social dialogue experiences can be described as a pejorative effect in the dialogue matter. Signed 23th January, 1983 and 14th February, 1984 by the government and the most essential centrals of trade unions agreements relating to wage, wage cost reduction as well as valorisation did not bring expected the social and economic results (Kowalski 2006b, 81). They only implied the opinion about ending the negotiation period, however in the 1990s Italian people begun the most important agreements and features of the pact process focusing on one programme issue which appeared in a definite period.

The 1992 agreement was a kind of prologue in the social dialogue area. In the agreement of 21st July, 1992 related to wage and reduction of inflation which were necessary for the realisation of the Italian „dream” about entrance into the Euro Zone. The Tripartite national Agreement of 23th July, 1993 (*Accordo 23 Luglio 1993*) is described as the „Italian social dialogue constitution” (Kowalski 2006b, 81) and it paid attention

to a concentration in the reduction of inflation. It „outlines a thoroughgoing reform of the Italian industrial relations system, based on four main objectives: income policy; a restructuring of bargaining procedures; modification of forms of workplace union representation; and policies on employment and measures to support the production system” (Eurofound). Its supplement was the Pact for Employment (*Patto per il Lavoro*) which was concluded on 24th September, 1996, and aimed at the economic development of Italy, the increase in employment, i.e. reforms in training and the education system, combatting unemployment among the young, long-term unemployment, unemployed women and Southern Italian residents, including a development of this part of the country and investments in infrastructural policy. This pact allocated „a total amount of about ITL 15,000 billion for its implementation over the 1997-1999 period” (Pedersini, Carpo 1997). Whereas, the agreement of 22nd December, 1998 focused on employment. The Social Pact for Development and Employment (*Patto sociale per lo sviluppo e l'occupazione*) was signed by the government and 32 employers' associations and trade union organisations (Trentini 1999). It emphasised the importance of cooperation between the government and social partners for the economic and social issues in policy decisions, „dispersion” of the level of concentration (regions, provinces, communes dialogue), and moreover the pact paid attention to a two-tier system of bargaining (national, company level), reformation of public administration, the inflation rate as well as a reduction in taxation. In 2002, Italian people signed the successive agreement. A Pact for Italy (*Patto per l'Italia*) distinguished „three areas: the programme for income policy and social cohesion, the programme »from welfare to work« and the programme for investment and employment for Southern Italy” (Kowalski 2006b, 83-84). Therefore, this agreement of 5th July, 2002 created an area for the reforms in the tax system and labour market as well as reforms in the regions of Southern Italy. Although, „its contents [...] are very similar to various »pacts for employment« signed in a number of European countries [...]. One novelty in the new pact's employment provisions, in the Italian context, is the new measures for the participation of social partners in the management of some aspects of the labour market [...]. The pact thus entrusts joint bodies with the management of job placement services and the »social shock absorbers«, and of procedures to help companies »emerge« from the illegal economy, and »irregular« undeclared workers to »regularise« their position” (Paparella, Rinolfi 2002). In 2003 Italian social partners concluded the „innovative” agreement, because it was a non-governmental pact. So it was signed by the representatives of trade unions and employers' associations without the representatives of government. Signatories of the Pact for Development, Employment and Competitiveness of 19th June, 2003 aimed at influencing political decisions and demanded the taking of actions to increase the state's competitiveness, employment as well as development. Thus, this agreement focused on research, training, the South of Italy and infrastructure, it also sought the possibilities of influencing the government's future economic policy (Paparella, Rinolfi 2003). The example of the Italian social pacts policy seems to be a confirmation that economic and political crisis provides the pacts potential, which transfers into particular priorities permitting the achievement of measurable benefits in economic and social areas. Table 2 presents varied examples of social pacts in three countries of Europe.

Table 2. Examples of social pacts in Western Europe

Country	Social pact
Ireland	(a) Programme for National Recovery (1987-1990), (b) Programme for Economic and Social Progress (1991-1993), (c) Programme for Competitiveness and Work (1994-1996), (d) Partnership 2000 (1997-2000), (e) Programme for Prosperity and Fairness (2000-2003), (f) Sustaining Progress (2003-2005), (g) Towards 2016. Ten-Year Framework Social Partnership Agreement 2006-2015 (2006-2016).
Italy	(h) Agreement of 23th July 1993, (i) Pact for Employment 24th September 1996, (j) Social Pact for Development and Employment 22nd December 1998, (k) Pact for Italy 5th July 2002, (l) Pact for Development, Employment and Competitiveness of 19th June 2003.
The Netherlands	(m) Wassenaar Agreement (1982), (n) Dutch Flexibility and Security Act (<i>Wet Flexibiliteit en Zekerheid</i>)* (1996) – (“aims to establish a balance between employers’ need for flexibility and employees’ need for employment security. This is done by a number of measures such as offering employees more security regarding their employment contract, but also by extending the possibilities for employers to conclude temporary employment contracts”).

* Dutch Flexibility and Security Act: Hesselink 2009.

Conclusion

The states lose their „power” in periods of permanent change, therefore for effective functioning they need close cooperation with different interest groups. Social dialogue, being an interaction between social partners and the government, permits the transfer of information between the actors, creating an area of social consensus for the most important issues: priorities for the country. In this context social pacts policy, which can be understood as the materialisation of the social dialogue process in the form of agreement, is the strategy which is projected to achieve the national priorities in the chosen areas. In consequence, therefore, it is also the implementation process of these economic and social issues in social reality. During this process, both social partners and the government should have an equal position, in which they are co-operators, who are responsible for public policy in these areas. It requires the reduction of particular demands from the side of social partners as well as the introduction of the resources of all actors, which they dispose of „every day” in the pact game. It is not an easy process and it is difficult „art”, although „there is not alternative for social dialogue, it is one-way you cannot turn back in the democracies” (Sroka 2009a).

Concluding our considerations (seeking an answer for the first research question indicated in the initial part of this study) we could define social pacts policy as some kind of materialisation of social dialogue in the form of agreement over economic and social issues, but neither social dialogue nor social pact is a clearly defined phenomenon, they do not have an evident theoretical base, because we cannot dispose one universally accepted definition for these issues, but they also differ from country to country. It is also refers to the next question about issues regulated by the social pacts policy. Therefore, the answer to the second research question indicates that there are social pacts which are focused on labour market matters, such as in the Netherlands. There are also social pacts that regulate the wide range of economic and social issues, and not only economic issues, but also the records referring to issues related to children, people at working age, older people, people with disabilities, culture and sport, such as in Irish social pacts policy. Therefore, we can answer “yes” to the third research question about the possibility of the creation of social and economic policies by these agreements. They can be used by the state and the interests groups to shape social and economic policies. We could say that the Netherlands, Ireland and Italy have their “model” of the social pacts policy, i.e. Dutch social pacts are focused on labour market issues, Irish social pacts are wider and multidimensional agreements (including various matters but also the broad range of actors signing the deals), Italian social pacts are mainly focused on economic issues. There is not, therefore, one European pattern for social pacts policy which could indicate or define the actors, issues and period of validity of agreements. All countries define themselves “models” of this agreement between the state and social partners. Of course, simultaneously, a level of institutionalisation of social pacts is different in various countries. The deepest institutionalisation we can see is in the Irish case, where they have been used as a tool of creation for public policy since 1987, despite the social partnership system collapsing in the country in 2009. Dutch and Italian social pacts were not so deeply institutionalised, but in Italy social pacts were strongly used during the 1990s. Therefore, the concept (of social pacts) can be a permanent element in the industrial relations area, but it can also only be a temporary instrument in social dialogue at central level.

References

- Baccaro Lucio, Sang-Hoon Lim a. Pakty społeczne jako koalicje „słabych” i „umiarkowanych”: Irlandia, Włochy i Korea Południowa. *Dialog. Pismo Dialogu Społecznego* 2008, no. 3/2008 (20), pp. 17-26.
- Baccaro Lucio, Sang-Hoon Lim b. Pakty społeczne jako koalicje „słabych” i „umiarkowanych”: Irlandia, Włochy i Korea Południowa. *Dialog. Pismo Dialogu Społecznego* 2008, no. 4/2008 (21), pp. 19-25.
- Eurofound, the European Foundation for the Improvement of Living and Working Conditions. *Accordo 23 Luglio 1993. Agreement of 23 July 1993* [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/emire/ITALY/AGREEMENTOF23JULY1993-IT.htm>
- Government of Ireland. *Programme for National Recovery*. Dublin: the Stationery Office, 1987.

- Government of Ireland. *Programme for Prosperity and Fairness*. Dublin: the Stationery Office, 2000.
- Government of Ireland. *Towards 2016. Ten-Year Framework Social Partnership Agreement 2006-2015*. Dublin: the Stationery Office, 2006.
- Grunell Marianne a. *Social partner involvement in the 2002 NAP*, 2002 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/2002/06/tfeature/nl0206102t.htm>
- Grunell Marianne b. *Pay moderation key issue in difficult bargaining round*, 2002 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/2002/04/feature/nl0204103f.htm>
- Hastings T., Sheehan B., Yeates P. *Saving the Future. How Social Partnership Shaped Ireland's Economic Success*. Dublin: Blackhall Publishing, 2007. ISBN 978-1-84218-135-5.
- Hesselink John K. *Positive outcomes of flexibility and security act*, 2009 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/ewco/2008/08/NL0808019I.htm>
- Kowalski Bogdan a. Europejska sztuka dialogu. *Dialog. Pismo Dialogu Społecznego* 2006a, no. Maj 2006, pp. 48-53.
- Kowalski Bogdan b. Europejska sztuka dialogu. *Dialog. Pismo Dialogu Społecznego* 2006b, no. Lipiec 2006, pp. 81-86.
- National Economic and Social Council. *Our Organisation* [online]. [Accessed on 5th March 2013]. Available online: <http://www.nesc.ie/en/our-organisation/nesc-council/>
- O'Connor Philip. Partnerstwo społeczne i rozwój irlandzkiego „tygrysa”. *Dialog. Pismo Dialogu Społecznego* 2008, no. 1/2008 (18), pp. 51-61.
- O'Donnell Rory. Irlandzka ścieżka sukcesu i dialogu. Rozmowa z dr. Rory O'Donnell, dyrektorem Narodowej Rady Ekonomiczno-Społecznej (NESC). *Dialog. Pismo dialogu społecznego* 2007, no. 1/2007, pp. 68-75.
- O'Donnell R., Adshead M., Thomas D. *Social Partnership in Ireland: two Trajectories of Institutionalisation* (in:) Sabina Avdagic, Martin Rhodes and Jelle Visser (eds) *Social Pacts in Europe: Emergence, Evolution and Institutionalisation*, Oxford: Oxford University Press, 2010 [unpublished manuscript].
- Pedersini Roberto, Carpo Simonetta. *Implementation of the tripartite Pact for Employment*, 1997 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/1997/02/feature/it9702201f.htm>
- Paparella Domenico, Rinolfi Vilma. *Government and social partners sign Pact for Italy*, 2002 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/2002/07/feature/it0207104f.htm>
- Paparella Domenico, Rinolfi Vilma. *Social partners sign pact for development*, 2003 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/2003/07/feature/it0307105f.htm>
- Sheehan Brian. *End of social partnership as public sector talks collapse*, 2010 [online]. [Accessed on 1st April 2013]. Available online: <http://www.eurofound.europa.eu/eiro/2009/12/articles/IE0912019I.htm>

- Sroka Jacek a. *Dialog społeczny w Polsce na poziomie narodowym, regionalnym i branżowym*. A seminar presentation: Wiedza o dialogu społecznym, in the project: Kompetentny uczestnik dialogu społecznego. Gdańsk – 5.12.2008, Katowice – 22.01.2009.
- Sroka Jacek b. *Rola paktów społecznych w dialogu – doświadczenia Irlandii, próby Słowenii a realia polskie*. A seminar presentation: Wiedza o dialogu społecznym, in the project: Kompetentny uczestnik dialogu społecznego. Gdańsk – 5.12.2008, Katowice – 22.01.2009.
- Towalski Rafał. Polityka paktów społecznych. *Dialog. Pismo Dialogu Społecznego* 2006, no. Maj 2006, pp. 44-47.
- Towalski Rafał (ed.). *Dialog społeczny. Najnowsze dyskusje i koncepcje*. Warszawa: Centrum Partnerstwa Społecznego „Dialog”, Instytut Spraw Publicznych, 2007. ISBN 978-83-926203-0-3.
- Trentini Marco. *National social pact for development and employment signed*, 1999 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/1999/01/feature/it9901335f.htm>
- van het Kaar Robbert. *Dutch unions to end policy of wage restraint?*, 1997 [online]. [Accessed on 5th March 2013]. Available online: <http://www.eurofound.europa.eu/eiro/1997/08/inbrief/nl9708128n.htm>