



New social demands: the challenges of governance



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New social demands : the challenges of governance

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TABLE OF CONTENTS

Foreword 5

Introduction 7

I – New social demands: the challenges of governance 11

1. Defining new and old social demands 11

2. Emergence of new vehicles of social demands 12

3. In search of answers to the new social demands 16

4. Can partnerships meet the new social demands more satisfactorily? 19

5. What is the role to be played by the private sector with regard
to the new social demands? 20

6. New social demands and sustainable development 23

7. In conclusion : for continued reflection 25

II – Session 1: How to detect new social demands 27

Hans-Dieter Klingemann – Professor, Social Science Research Centre, Freie
Universität Berlin and Center for the Study of Democracy, University of California,
Irvine (United States)

*“An exploration of mechanisms by which citizens
and party governments in the member states of the Council of Europe
can introduce and detect social demands”*

**III – Session 2: Are institutions adaptable, or do social
demands also require new institutions?** 67

Chiara Saraceno – Professor, Department of Social Sciences, University of Turin (Italy)

*“Can institutions adapt to new social demands
or should new ones be created?”*

**IV – Session 3: What is the role of the private sector
in terms of social demands? 79**

Peter Kenway – Director, New Policy Institute, London (United Kingdom)

“The role of the private sector in terms of social demands”

**V – Session 4: What is the added value of cross-sectorial
partnerships in a government’s capacity
to handle new social demands? 91**

J. Sile O’Connor – Professor of Social Policy, School of Policy Studies,
University of Ulster (Northern Ireland)

“Social partnership and response to new social demands in Ireland”

FOREWORD

This report on new social demands is published within the series “Trends in Social Cohesion” of the Council of Europe’s Social Cohesion Development Division. The choice of subject has been dictated by the increasingly important role that the concept of globalisation plays in our language and thinking. The new social demands are a sign of the concern felt by citizens and decision-makers confronted with the inescapable pressures that globalisation brings to bear on national policies. Citizens are afraid that these pressures will prevent their needs being taken into account, and that decision-makers are submitting to the new political requirements resulting from globalisation.

This leads us to ask how citizens can influence and contribute to this development. To take the single example of access to information, it is clear that, despite a surfeit of information, the vast majority of citizens find it extremely difficult to understand how and why things occur as they do. For example, certain decisions on the supply of services (such as privatisation), which have major implications and reflect government decisions, may, in information terms, be mistaken for a consequence of globalisation. This lack of clarity regarding the reasons for reaching particular decisions makes it all the more difficult for citizens to channel their social demands.

As Hans-Dieter Klingemann has observed, a link between social policies and social demands is necessary in democratic societies so as to avoid situations where responses are entirely élitist (certain groups affecting to know what is good for others), or they are the result of public intolerance, particularly towards new population groups or new demands which emerge from poverty, social exclusion, etc. In his opinion, the nation-state must remain an important player in international terms. Consequently, its roles must be defined so as to avoid confusion on the part of citizens who have lost their bearings as to who should meet social demands.

Social demands are now multidimensional, making the question of the state’s role even more pressing. In the past, political responses failed to take account of this aspect and one-off and specific responses were always proposed. New methods and professional skills are therefore required in constructing social responses. These methods, based on partnership, participation in the civic network, shared responsibilities etc., are gaining increased recognition. For all that, can we say that official bodies are always willing to participate in co-operative ventures and partnerships,

especially with civil society? As Katalyn Tausz has pointed out, some governments and institutions are clearly committed to this path. Others, however, have not yet reached this stage and are experiencing difficulties in forging co-operation, or are simply unwilling to do so. How can these difficulties be overcome?

The emergence of new social demands also raises questions regarding their expression. Traditionally, political parties and trade unions were responsible for articulating social demands and presenting them to governments. Now, civil society and the private sector have a growing influence in social debate. How can this process be made compatible with citizens' traditional attitudes in which social responsibility lies with the state? For example, can one say that social consensus in western Europe is still maintained by the state on the basis of the social-democratic model? Are we moving to a new model, or does civil society itself underpin this consensus? This is the question posed by Hans-Dieter Klingemann. Chiara Saraceno believes that non-governmental organisations (NGOs), which embody an organised form of civil society, are undergoing a process of increased institutionalisation which gives them an ever more important political role, although this threatens their need for transparency. In becoming political "entities", NGOs bring their vision to the social policy agenda. Nonetheless, the social-democratic model is not applied everywhere. In Italy, for example, social ties are mainly based around the family, identity and community membership.

For her part, Agnès Hubert from the European Commission believes that the new social demands and expectations are articulated not only by NGOs, but also by local and regional authorities. Other players, such as researchers and academics, also have a key role to play in social debate. Thus, the definition of civil society and its functions remains wide open, without losing sight of the essential question, namely recognition of its role and its progressive and changing involvement.

These few comments give an idea of the complexity of the ongoing debate. This publication, which originated in a forum on the subject organised by the Social Cohesion Development Division in October 2001 with the support of the Nordic Council of Ministers, is a first step in answering these questions on social demands and responsibilities. The 2002 Forum, on new social responsibilities, is intended to highlight other aspects and add other visions to this debate, one of permanent relevance to our constantly evolving society.

Gilda Farrell

Head of the Social Cohesion Development Division

INTRODUCTION

The “Thirty glorious years” which followed the second world war were marked in western Europe by a vast process of social integration which was ensured by economic and social development and the establishment of powerful social protection systems guaranteed by the welfare state. The combination of these various factors overshadowed questions relating to social cohesion and traditional social demands. The 1980s, however, were marked by the return of mass vulnerability combined with a rise in exclusion and socio-economic insecurity.

This structural crisis, which is threatening social cohesion, stems on the one hand from the increase in vulnerability due to the rise in unemployment and the growing precariousness of working conditions, and on the other hand, from the fact that young people find it increasingly difficult to get off to a good start in the employment market and take advantage of the forms of socialisation that work involves. Exclusion is thus a new problem, one which is related to the growing fragility of the individual's participation in society. The new social issue which results goes beyond the traditionally more vulnerable social strata, affecting the body of western European societies as a whole. The growing feeling of collective anxiety regarding exclusion reflects the fact that society as a whole has become more fragile as the social fabric frays.

The structural changes in the countries in transition have also created problems of social fragility in terms of a new relationship or new distrust between the population and the public administration. These changes concern the ability to resolve specific problems that were underrated in the past, such as those relating to women, retired persons or the unemployed. In these countries, growing fragility in society reflects the need to reconstruct democratic practices and the state's difficulty in meeting that need in the absence of financial resources and experience in the implementation of specific and differentiated policies.

Thus in both the East and West the question of social demands is the order of the day. These demands show that the exclusive role of state protection is weakening and alternative forms of socially responsible organisation and partnership are emerging that are based on new “social contracts”.

Aware of these developments, Social Cohesion Development Division of the Council of Europe decided to organise in October 2001, in partnership with the Nordic Council of Ministers, a forum to discuss the new social demands.

The objective of the forum was to reflect on the nature and characteristics of the new social demands compared with the social demands of the past, and to debate the issues relating to the emergence of these new social demands. A large number of questions were broached, including the following:

- What are the mechanisms which allow a new issue to be included on a government's social agenda, and what are the mechanisms used by government to detect the new social demands?
- What is the role played by the organisations of civil society when communicating the new social demands?
- How does the private sector compare its responsibility with the responsibility of government, and in its partnership with government, when confronted with new social demands?
- How do institutions change and adapt in order to respond to the new social demands?
- Does a partnership between the public sector, the private sector, and civil society provide a means of better governance, and does it provide an answer to the new social demands?

The following persons have contributed to make the debate of the forum extremely interesting: Maija PERHO, Minister of Social Affairs and Health of Finland, Chairman of the Nordic Council of Ministers; Maggi MIKAELSSON, Member of the Swedish Parliament and the Parliamentary Assembly of the Council of Europe; Sigurður HELGASON, Deputy Secretary General of the Nordic Council of Ministers; Akaki ZOIDZE, Deputy Minister of Health and Social Affairs (Georgia); Hans P. M. ADRIAANSENS, Chairman, The Netherlands Council for Social Development/Dean of University College Utrecht (Netherlands); John HALLORAN, Secretary of the European Social Network (United Kingdom); Elena KALININA, Rector of the International Institute of Women and Management, Counsellor to the Government of St. Petersburg (Russia); Hans-Dieter KLINGEMANN, Professor, Wissenschaftszentrum Berlin für Sozialforschung, Freie Universität, Berlin (Germany); Christophe AGUITON, ATTAC-France; Tomas JELINEK, Counsellor to the Presidency (Czech Republic); Agnès HUBERT, Counsellor, Governance Team,

European Commission ; Annelise OESCHGER, ATD 4th World Movement, Vice-President of the Liaison Committee of NGOs of the Council of Europe ; Chiara SARACENO, Professor, Department of Social Sciences, University of Torino (Italy); Andrea BERTONASCO, Mani-Tese (Italy); Thérèse de LIEDEKERKE, Director of Social Affairs, Union of Industrial and Employers' Confederations of Europe (UNICE); Jacques CHEREQUE, Vice-President of the Conseil Général de Meurthe-et-Moselle, Regional Counsellor of Lorraine, former Government Minister (France); Malin NILSSON, Director of Public Affairs, VOLVO Group (Sweden); Severo BOCCHIO, Director, Fondazione Lucchini (Italy); Jean LAPEYRE, Deputy Secretary-General, European Trade Union Confederation (ETUC); Peter KENWAY, Director, New Policy Institute (United Kingdom); J. Síle O'CONNOR, Professor of Social Policy, School of Policy Studies, University of Ulster (Northern Ireland), Marek RYMSZA, Researcher, Warsaw University, adviser to the Chancellery of the Polish Senate and the Institute of Public Affairs (Poland); Sylvain GIGUERE, Administrator, Local Economic and Employment Development Programme, LEED-OECD; Katalyn TAUSZ, Head of the Chair of Social Policy, Eotvos Lorand University (Hungary).

We would like to thank them warmly for their involvement.

Among the presentations that were made, we would like to publish four here in this series, one from each session of the forum.

- Session 1: "How are new social demands detected?" – Professor Hans-Dieter Klingemann ;
- Session 2: "Are institutions adaptable, or do new social demands also require new institutions?" – Professor Chiara Saraceno ;
- Session 3: "What is the role of the private sector in terms of social demands?" – Peter Kenway ;
- Session 4: "What is the added value of cross-sectorial partnerships in a government's capacity to handle new social demands?" – Professor J. Síle O'Connor.

The introductory text synthesises the content of all contributions and the debate.

We particularly would like to thank the Nordic Council of Ministers for the excellent support it has given to this project.

I – NEW SOCIAL DEMANDS: THE CHALLENGES OF GOVERNANCE

1. Defining new and old social demands

It is important first of all to analyse how the new social demands have come to overlap with the more traditional social demands, which – at least in the countries of western Europe – have been constantly put forward since the beginning of the industrialisation process and the emergence of the new worker movement. They have been intensifying since the beginning of the 1980s as socio-economic insecurity has increased for a whole series of vulnerable groups. A general distinction can be made between traditional social demands on the one hand, which are related to the guarantee of an acceptable level of economic and social security, and, on the other hand, new social demands, which relate either to particular issues such as environmental protection, the building of multicultural societies, the integration of immigrants or the emancipation of women, or to the aspirations of individuals to greater autonomy in running their own lives. In the case of the countries in transition, social demands are a novelty in situations where social protection was an intrinsic feature of the running of the system. Social demands reveal that socio-economic insecurity is gaining ground, but they are not necessarily expressed in claims directed at the state, which is clearly weakening, but rather in the emergence of forms of alternative organisation – informal economic networks, various types of associations, etc.

In western European countries the traditional and new social demands form a heterogeneous whole, which expresses the expectations of populations with regard to their lifestyle and concern fields as diverse as the quality of public services, the preservation of social security and pension systems, the right to healthy food, protection against wrongful dismissal, the cancellation of the debt of poor countries, or questions of autonomy and emancipation.

One of the new social demands expressed at the demonstrations in Göteborg, Nice or Genoa is probably the demand for the democratisation of governance with a view to reorienting globalisation processes for the benefit of populations. These demonstrations, which were referred to as “anti-globalisation” events, focused citizens’ attention on the need to reflect

on the role played by the traditional actors in governance, and in particular on the ability of the state to ensure that redistribution policies and equity are maintained in access to the benefits of growth.

An ever-increasing number of citizens are demanding the right to be informed and the opportunity to take an active part in political decisions affecting their living and working conditions. Although the demands of the new movements are still indeterminate, we are nevertheless facing new social demands for more democratic and more participatory governance.

The increase in unemployment, job insecurity, exclusion and the new poverty have engendered a feeling of insecurity amongst all those who feel more or less directly threatened by these problems. A growing number of people are deeply dissatisfied and anxious. There is a general awareness of the threats entailed in the mounting insecurity for a steadily growing fringe of the population.¹

The expression of social demands – whether new or not – requires first and foremost that individuals enjoy recognised civil and political rights giving them a “voice” or the power to denounce; secondly, it requires the existence of an institutional framework and appropriate mechanisms through which demands and discontent can be channelled and effectively communicated to political decision-makers; and thirdly, it requires that individuals feel that it is worthwhile to make their voice heard, that is to say, that they feel that there is a chance of being heard and a chance of seeing real changes made. Individuals’ estimation of their ability to influence political decisions is decisive in the process of expressing social demands and in the vitality of democratic systems. Denunciation through the channels of social intermediation, which is specific to democratic systems, is a powerful means of compensation whenever the system fails to respond to the social demands of populations. The institutional framework is thus fundamental both for expressing social demands and for finding an appropriate response with a view to safeguarding social cohesion.

2. Emergence of new vehicles of social demands

Financial reforms affecting the central state have contributed to the trend towards the decentralisation of powers and to new arrangements in the

1. Bhalla, A. and F. Lapeyre, 1999, *Poverty and Exclusion in a Global World*, London: Macmillan

sharing of responsibilities between central and local public authorities. Municipalities and regional governments have thus gradually been vested with greater powers in terms of social management and have also had to make changes in taxation in order to supplement their revenue. The fragmentation of public responsibility in the social field amongst the various levels of power, particularly with regard to the providing of social and medical services, is proving to be efficient only if the administrative processes are followed up with measures to redistribute public resources. In the case of the countries in transition, the redistribution of those resources is proving difficult, if not impossible, since local authorities are unable to cope with the responsibilities assigned to them in their new roles.

The “flexibilisation” of the employment market has led furthermore to growing job insecurity and a decrease in the number of workers belonging to and represented by trade unions. What is more, with the current organisation of work, skills are being fragmented and the labour market is becoming polarised, with the result that the gap between skilled and unskilled workers’ incomes is widening. The unemployed and the working poor need to create new forms of organisation to move their social demands up the agenda. The traditional vehicles of workers’ social demands within the social contract have thus also become fragmented. In addition to wages, the demands of these workers concern access to fundamental rights such as the right to housing, medical assistance, education, and more.

The forms of social representation of the past, which were based on the homogeneity of people’s identity or affiliation – the working class, for example – are thus disappearing. The new social demands stem from the diversification of the actors involved and the individualisation of the relationship between citizens, structures and institutions. These differences give rise to the following question: with equal pay, where do I prefer to live? In other words, in what region are the public services organised more efficiently or in what region is the social environment more conducive to a higher quality of life? The answer to this question shows that marked differences are consolidating at the regional level within one and the same country.

The growing insecurity in the world of work is also giving rise to “emergency” logic in populations which have no voice to make themselves heard, and for which the traditional mechanisms of the welfare state are less effective. Asking a worker whose job situation is insecure to fight for a pay rise or to go out on strike threatens the very conditions for his survival. Furthermore, in western Europe these classes of workers are often composed of migrants, who are not accustomed to confrontation over labour rights

and whose sole concern is to survive and to ensure the survival of the families they have left behind in countries such as Mali, Pakistan, Albania or China. What is more, in areas where there has been a recent upsurge in the number of immigrants, the local populations class these people either as “good workers” or “trouble-makers”, and social demands, which tend to be based on stereotypical preconceptions, can deviate from seeking well-being for all, to focusing more on defending one’s own security.

The world of work is certainly still an area of social demand, but its content is changing. It is focusing on new fields such as the right to continuing training or to reorganise one’s own working time. Developing systems under capitalism also require that a distinction be made between the public and private systems of social protection and call for thought to be devoted to the degree of risk the individual worker can bear.

The redefinition of the welfare state is thus leading to more subtle forms of segregation and to the absence of representation and of recognition for certain social groups. Furthermore, the traditional forms of social integration and solidarity established by the welfare state and based on individual assistance are founded on social archetypes, whereas new requirements have now emerged with regard to social representation. This is the case, for example, with the working poor, the *sans-papiers* (persons who have no official identity documents), the homeless, educated young unemployed persons, and others.

The new vehicles of social demand are characterised in general by a marked heterogeneity and by greater emphasis on individuality and generally involve small structures that are less pyramidal and hierarchical than the traditional vehicles. This form of organisation does not present an obstacle to communicating the new social demands, since the structures operate in the form of networks allowing horizontal co-operation between the various organisations. The new information technologies, and in particular the intensive use of the Internet, have been a major contributing factor in the rapid expansion of these associative networks, which act as the vehicles of the new social demands.

In addition, new forms of intervention have been developing for a number of years in the public sphere, such as the occupation of vacant housing, or employment services, the sponsoring of persons who have no official papers, boycotts, and the organisation of social forums and events parallel to official events, as was the case with the trade summits in Nice, Genoa and Seattle.

The creation of new channels for expressing social demands is a factor that can encourage people to make their voice heard through democratic

procedures. In the paper he presented to the forum, Hans-Dieter Klingemann goes into these non-institutionalised forms of direct political participation in greater depth. These tend to complement rather than to replace the traditional modes of political participation and the ways in which social demands are expressed. The emergence of the new social demands and these new modes of political participation – which are often institutionalised only to a minor extent or not at all – are in fact closely connected.

These new forms of action are the result of the work of associative circles and non-governmental and trade union organisations, which seek to mobilise public opinion and to call governments to account for problems they have ignored. The aim of these organisations is to impose a debate on the key issues of current political life and to prompt governments to find an answer. It is a mistake to group these new movements under the denomination of “anti-globalisation”. By their very nature, demands and tactics, these hybrid movements actually operate precisely in the sphere of globalisation. What they disagree with is not globalisation *per se* but the fundamentally inegalitarian and alienating nature of the current integration process, which is marked by a serious lack of social regulation and democracy.

The emergence of new vehicles of social demands is also related to the relative loss of autonomy of these nation-states. The traditional vehicles were organised on a national basis and targeted the state in particular. The liberalisation and integration processes which have been taking place on the global scale have resulted in the upward and downward transfer of responsibility from the national level to the international and the local level, respectively. This change has reduced the ability of the traditional institutions through which demands have been expressed to achieve changes in the interests of their members, since the decision-making centres have become more difficult to identify or more fragmented. The vehicles of social demands – NGOs, trade unions, associative movements – are reorganising themselves with a view to a more globalised strategy in order to have an impact on global governments. There is also a dynamic of recomposition in the social fabric at the local level and new social demands are being stated which focus on efforts to seek a certain level of humanitarian security. The current dynamism of the associative, mutualist and co-operative movements reflects this dual trend and is resulting in the development of new forms of solidarity. The transfer of responsibility to grassroots organisations for the protection of their environment and the definition of local development thus became an important reality in the 1980s and 1990s.

3. In search of answers to the new social demands

Social demands are the collective expression of expectations which gradually emerge in various contexts, the aim being to seek an institutional solution or a change in the organisation of society. In western Europe the social demands formed the basis of the establishment of the welfare state and were the channels of communication between the state and its citizens. In these contexts, which were characterised by democratic procedures, these demands were filtered by political parties, trade unions, or NGOs and were validated or not by the parliamentary system, eventually becoming the legal framework.

Social demands thus generally found their channels of expression in the institutional mechanisms that were established within the democratic framework and in the areas created by the welfare state, which took on a central role in the preservation of social cohesion in the national territory. Within this pre-established framework the institutional response was based on the hypothesis of the homogeneity of the needs of social groups and on the principle of equality of access to public services and benefits irrespective of regional or other differences. Consequently, the government was the primary target for expressing discontent.

In the course of the last twenty years, however, the welfare state has had to face major challenges such as the globalisation of the economy, which reduces the nation-state's margin for manoeuvre, the rise in unemployment, growing socio-economic insecurity and social exclusion, particularly in the case of persons who have no training, the ageing of the population and its implications for pension and health schemes, and the upheaval in the functioning of the family (in particular the high percentage of women active in the labour market).

The conflicts developing around the social demands in western Europe are due to the following factors :

- the change in representative capacity and in the type of interests defended by the traditional actors involved in negotiating the social contract – in particular the state and the trade union organisations ;
- the need to defend the social and economic rights considered, in the past, to be “acquired”, particularly by the weakest population groups ;
- the increase in social concern for the environment and the demands relating to regional differentiation ;

- the need for information and greater transparency in the management of public action and the awareness of the need for co-responsibility;
- the question of the integration of immigrants and refugees.

It is against this background that a multifarious movement is emerging which is claiming the right of citizens to be masters of their own lives. Such is the challenge facing governments and the European institutions. Expectations are high. Governments – but also international organisations such as the Council of Europe and the European Commission – and major enterprises are aware of it and are seeking to build deeper dialogue with civil society.² For this reason it is important to open the debate and devote collective thought to the issues at stake when taking into account these new social demands.

Given the evolution of social demands and the emergence of related new vehicles, the challenge posed in political terms is to establish an institutional framework in which these new vehicles can be heard by the public authorities. Hence the need to develop or strengthen democratic institutions that can meet the expectations of populations. Hans Adriaansens, the Chairman of the Social Development Council in the Netherlands, has demonstrated the originality of the independent institutions which have been set up in his country, aimed precisely at dealing with the new social issues, and to bring them to the attention of the government so that it can adopt a position and, if possible, take appropriate measures to deal with them.

The fieldwork of both the traditional and the new social organisations has been a major contributing factor in the emergence of the subject of exclusion in the public debate. It is also a core factor in the mobilisation on issues such as Aids, the housing crisis, unemployment, and the social consequences of globalisation on societies in the North, South and East. The recent success of organisations such as the ATTAC (*ATTAC France – Association pour une Taxation des Transactions financières pour l'Aide aux Citoyens – Association for the Taxation of Financial Transactions for Citizens*) is due to the fact that they not only succeed in bringing the major political groupings into the globalisation debate but also create a

2. Commission of the European Communities, 2001, Green Paper – *Promoting a European Framework for Corporate Social Responsibility*, COM(2001) 366 final, Brussels: Commission of the European Communities; see also "Global Compact" agreement, NNUU, website: www.globalcompact.org.

common repository for citizens and extremely diversified groups. For example, the ATTAC was the prime motivator behind the formation of a new "us",³ that is to say, a grouping of heterogeneous identities and personalities around a common cause – that of ensuring that global society, and in particular its weakest members, share in the benefits of the flow of capital.

However, if a mechanism for responding to these demands is to be created in concrete terms, decision-making structures must be sensitive to these new voices. The fact is that governments and international organisations, but also multinational companies, are concerned with the growing scepticism of public opinion that living and working conditions will improve in the future. Their ears ring with the voices of demonstrators, which influence their behaviour and their policies. In the face of these protests, governments are beginning to respond or at least to intensively debate the new demands.

- The opening of the dialogue and of consensus-building mechanisms at the local, national and international levels to NGOs and associative movements is a good example of this trend. The efforts to develop the partnership between local and national public authorities and civil society (undertakings, social partners, NGOs, etc.) are responding to this need to take the new social demands into account and even to anticipate them in order to find the most appropriate solution.
- A further example of the response to the new social demands is the promotion of the concept of corporate social responsibility, including that of multinational companies, which signifies that "undertakings decide on their own initiative to contribute to the improvement of society and to make the environment cleaner".⁴ Here we have a key investment at the core of corporate marketing strategy aiming to respond to the new demands and criticisms put forward by citizens as consumers and investors.

How can these two examples bring pertinent answers to the new social demands?

3. Amato Giuliano, 2002, *Tornare al futuro, la sinistra e il mondi che ci aspetta*, Ed. Laterza, p. 36.

4. Commission of the European Communities, 2001, *Green Paper – Promoting a European framework for corporate social responsibility*, COM(2001) 366 final, Brussels : Commission of the European Communities, p.4

4. Can partnerships meet the new social demands more satisfactorily ?

With regard to the first example, social and economic literature in western Europe has been considerably enhanced over the past twenty years with the analysis on the forming of partnerships as an answer to the growing complexity of social management, the call for socially responsible participation and the demand for greater transparency in decision-making.

As a form of contract or informal consensus-building, partnership has placed the question of responding to social demands in a more comprehensive and more heterogeneous environment of actors. Its validity as a form of governance, however, is often a subject of debate due to the absence of frameworks defining the extent of its institutional expression. The debate on the place of partnerships in the pre-existing institutional environment reveals diverging positions on the decision-making power of non-sectoral bodies.

The forming of partnerships is often facilitated at the local level where a region which has been defined and recognised by all of the actors involved becomes the transversal centre of reference and the subject of consensus-building and co-operation.

At all events, partnership implies change in the hierarchical methods of social organisation and a certain blend of interests and public and private responsibilities. J. Síle O'Connor points out in his presentation that in the case of Ireland a comprehensive process of consultation and consensus-building at all levels was made possible by creating a multirepresentative structure at the national level with a view to arriving at a common vision of economic and social development mechanisms. On this basis strategic relationships led to the identification of linkages between policies and the designing of forms of action appropriate for the situation in Ireland.

How long partnership arrangements continue to operate does not depend on one single vision of policy objectives but rather on a common understanding of the main challenges of society, both economic and social. It is the ability to adapt and respond to these common challenges that enables partnerships to co-operate and to evolve.

With regard to the new social demands, partnership can become the instrument for building the consensus that is essential if social balances and equity in access to the benefits of growth are to be guaranteed. This consensus necessarily involves various stages in the comprehension of

how the various policies are interlinked. In Ireland, for example, partnership has consisted in working on a consensus between economic and social policies, and this has led to the recognition of how inclusion, employment and competitiveness are interlinked and has broadened the sectoral horizon to take into account economic, social and environmental sustainability.

In the globalisation context, the forming of partnerships leads to the building of a coherent social compromise to protect the quality of life of citizens.

In the vertical expression of partnership between various levels of the administration, that partnership involves building an overall vision of the results of the interconnection between the various agents (local, regional, national, etc.) rather than of the results of an individual entity. The questions of exclusion, the breaking of social bonds, unemployment, the integration of immigrants, etc. cannot be resolved through action at one single level. The integration of immigrants, for example, requires clearer national frameworks for establishing their rights and status, regional measures to take account of their specific needs in terms of education for their children, the participation of municipalities in the housing field, etc.

Consensus and co-ordination between the public and the private sectors and between various levels in these sectors are social "resources" which aim to identify the new needs and to formulate appropriate measures and products. Where there is no consensus or co-ordination the bonds essential to ensuring the sustainability of any democratic model of development are liable to be broken.

5. What is the role to be played by the private sector with regard to the new social demands ?

Social responsibility, the second example of possible responses to the new social demands, has recently become one of the most widely debated issues in Europe. In current discussions the concept of social responsibility has been associated mainly with the new rhetoric and practices of businesses that are deliberately incorporating social and environmental issues and traditional economic issues into their field of concern. In other words, corporate social responsibility means that undertakings must be held responsible for the consequences their decisions have on various "stakeholders" (not only shareholders and clients but also workers, the community in which a business is located, the local public authorities, etc.).

Corporate social responsibility is an important item on the European social agenda as the European Council in Nice pointed out. The European Commission's Green Paper entitled *Promoting a European framework for corporate social responsibility* (COM(2001) 366) was designed to open a wide-ranging consultation on corporate social responsibility. Although the Council of the European Union recognised that corporate social responsibility is primarily the concern of businesses themselves, it stressed two important points:

- it must be understood as a voluntary complement to regulations or legislation on social and environmental rights, for which undertakings cannot act as a substitute; and
- it must be placed in the wider context of promoting social dialogue between the social partners and involving businesses in a partnership which is understood to include not only the trade unions but also NGOs, regional communities and bodies which run social services.

The challenge of corporate social responsibility lies essentially in the combination of the profitability objective and the objectives of sustainability and responsibility. It reflects a firm's intention to help strengthen social and spatial cohesion and preserve the ecosystem. As such it is an important element of any policy on sustainable development, integrating social, economic and environmental dimensions in order to achieve sustainable economic growth combined with an improvement in the living and working conditions of populations.

A factor which has been reiterated throughout the debate and the documents on the subject is that as far as the corporate world is concerned the move to strike a course of social responsibility can be the result only of deliberate action. Furthermore, social responsibility can never assume a form that is detrimental to the primary objective of the undertaking, which is that of ensuring its viability. It is under this strict constraint that business views social responsibility and can integrate social and environmental objectives into their management instruments and activities. Initiatives taken in this context then go beyond the regulatory framework – the result of national legislation and international agreements – in which corporate activities are conducted.

Businesses currently contend with higher expectations on the part of shareholders and consumers who demand more and more respect for certain ethical rules such as those which apply to child labour. And they are also confronted with the expectations of local public authorities, who

aim to involve them in new types of partnerships for local development and who expect them to assume their responsibilities in regional development projects. And finally, they are faced with the – traditional or new – social demands of workers. For in view of unemployment and the increasing insecurity of forms of employment, people are demanding, with growing urgency, that businesses play their role in the preservation of social and spatial cohesion rather than exacerbate the vulnerability of that sector of the population which is excluded from the labour market or at least from its attractive segments. On the other hand, businesses have to contend with the demands of a growing number of workers, with the reorganisation of working time and measures to reconcile work with private or associative life, and with training to provide access to work that is more status-enhancing from the personal point of view.

This process for redistributing responsibilities poses problems, however. Speaking on behalf of the European Trade Union Confederation, Jean Lapeyre stresses the importance of establishing a European assessment, grading and certification framework in order to avoid the proliferation of systems and labels or references to standards of certification modelled on systems that are culturally unfamiliar and whose proliferation is likely to prejudice the credibility of any social accounting. It is important to adhere to the framework of a European social model with its values and objectives. This is why the European Commission should take the initiative to present a proposal for a directive on the obligation of companies to produce an annual social report. This reporting would be very useful for periodically evaluating corporate social responsibility. One cannot rely on voluntarism here; this annual report must become a rule resulting from a European directive or from social dialogue between the social partners.

A further point, which was raised by Peter Kenway of the New Policy Institute, concerns possible contradictions between the private sector's profitability logic and social responsibility. Privatisations and the redefinition of responsibilities between public and private actors have had important consequences for the border between public and private, and between community interests and profits. It has been observed, for example, that many private companies in certain branches of activity are tending to discriminate between certain groups of consumers for reasons of profitability. This concerns mainly private service activities, particularly in the banking, insurance and large-scale food retailing sectors as well as in the supply of electricity and water to households. All of these services can be regarded as essential services. However, privatisation has affected these basic

services to a large extent and has transferred the responsibility for them to the private sector. The problem is that the customers of these services are far from being a homogeneous group – particularly in terms of solvency – and this influences the profitability prospects of the service providers and prompts them to pursue a strategy of customer segmentation, profiling individuals and neighbourhoods in terms of their profitability and risk.

A strategy of this nature tends to make these services more expensive and less accessible to households with low purchasing power, which the private sector considers to be high-risk clients. This is notably the case with access to financial services. In France, for example, there are almost one million people who do not have access to a bank account. The private sector is thus tending to discriminate between populations which are already having to cope with difficult living conditions. Opening a bank account has become a veritable obstacle course for quite a number of persons if it is not quite simply refused. This type of discrimination is unacceptable from the point of view of social justice and tends to expose private enterprise more and more directly to the new social demands. It is crucial to find arrangements for these basic services provided by the private sector where the obligation can be imposed to provide a universal service which does not penalise vulnerable groups and, more generally, low – income households. This applies in particular to companies whose products and profits are based on the utilisation of public goods. In these cases corporate responsibility goes beyond the circle of clients and shareholders and concerns the public interest.

6. New social demands and sustainable development

To what extent can the emergence of new social demands, new vehicles for expressing them and the efforts to seek solutions be contributing factors in orienting society to sustainable development? In seeking an answer to this question it must be borne in mind that any development process is far from harmonious and progressive. On the contrary, it is a process which involves upheaval and is marked by uncertainties and breaks. It calls the existing hierarchies and regulations into question. Any successful development initiative launches a movement and disrupts the established order.⁵ If it is to be successful and to deeply transform society it must convince individuals that they should participate and, if need be, overcome their

5. Lapeyre F., 2002, "Le rêve d'un développement sans conflit", *Les Nouveaux Cahiers de l'IUED*, PUF, no. 13.

hostility or indifference. The process of development thus requires that action be taken to mobilise creative energies and that willing actors invest time and resources, be innovative, resolve problems and make sacrifices.

This mobilisation is an *ex ante* process, however, which takes place well in advance of its validation, well before it is certain that the result has been achieved. The participants thus take a bet on the future and choose to co-operate despite their diverging and sometimes conflicting objectives, that is to say, they place their trust in a project which they consider to be just and whose success is in their mutual interest.⁶ From this point of view, the lesson to be drawn from the collapse of the bureaucratic dictatorships in eastern Europe is without a doubt that it was the fact that the reformers' initiatives did not prompt a response or appeal within society that brought their downfall. As Pierre Lévy explains,⁷ they were unable to generate the collective intelligence necessary to achieve adequate solutions.

The processes of appropriation and participation are possible only if economic development is based on minimum principles of justice, social recognition and co-operation. For, as is the case with problems of competitiveness or systemic transition, development problems always entail arousing a form of co-operative social creativity. But this creativity cannot be born in a context of fragmentation, social exclusion or excessive rigidity in the sharing of powers, for the mobilisation of the various development actors depends to a large extent on the degree of equity with which they expect to be treated, the possibility for them to become integrated into the various production and social processes and the sharing of general interests. The development of a conflicting vision of the world between winners and losers in the economic globalisation process increases the risk that the social bond will break and that the various actors will refuse to co-operate. In the longrun, this situation tends to affect economic performance, to weaken the basis for sustainable development, and, consequently, to cloud the prospects for the reduction of poverty and exclusion.

6. Reynaud J-D, 1997, *Les règles du jeu*, Paris: Armand Colin, p. 141.

7. Lévy Pierre, 1994, *L'intelligence collective*; Paris, La Découverte, "Collective Intelligence: Mankind's Emerging World in Cyberspace". Concerning the decline in so-called communist regimes, Pierre Lévy suggests that "without wishing to give an exhaustive analysis of this complex question we can nonetheless offer an explanation which particularly underlines our theory (...) Planned bureaucratic economies, which were still capable of performing up until the 1960s, have been incapable of following the necessary transformations in work practices imposed by contemporary evolution in techniques and organisation. Totalitarianism failed in the face of new forms of mobility and co-operation in work skills. They were incapable of collective intelligence". (unofficial translation)

In the recent debates the move to take account of the new social demands has taken the form of reflection on the establishment of a “stakeholder society”. The main idea in this proposal is that all citizens and the main interests present in society must have an opportunity to participate in the decision-making process and to make their voice heard through democratic channels of expression. A society of this nature requires that an institutional framework and participatory practices be adopted as well as a conception of the public interest which ensures equality of opportunity and minimum levels of socio-economic security for all citizens. A stakeholder approach promotes social cohesion and the formation of social capital by creating an environment characterised by dialogue, fair representation of social interests, participation and mediation rather than conflict and balance of power. This approach is already being adopted to a large extent in local communities where local authorities, civil society, the private sector and the trade unions work as partners for the success of the projects that they have defined and set up together. What is at stake here is the establishment of a new form of governance based on the redefinition of roles and responsibilities.

This brings the question of the legitimacy of representations back to the focus of the debate. Do states always represent the general interest? The reduction of the welfare state, for example, minimises its interest as far as taxpayers are concerned and leads to marginal representations of interest.

7. In conclusion : for continued reflection

If a favourable evolution towards equitable and sustainable development is to be promoted it is essential to stress the fact that the question of responsibility with regard to the new social demands concerns society as a whole. If one refers to companies, for example, their action cannot replace the national and international legal frameworks, which remain an essential means of ensuring access to social rights for all.

Due to the complexity of situations and actors at the present time, roles in both the public and the private sphere are shifting and becoming fragmented. On the one hand there is a myriad of structures which respond to social demands and assume responsibilities : NGOs, churches, associations, networks, companies. This fragmentation has created diversifying awareness amongst citizens of the responsibility for formulating the social solution, an awareness which is also reflected in various pressures on the rules for the utilisation of public resources. Not that the citizens of Europe no longer expect the state to fulfil its role, particularly with regard to access

to health services and redistributing incomes. On the contrary, what is emerging is rather a series of questions as to choices, quality, priorities, participation, consultation, means of consensus-building, and the areas and roles of other actors.

We are furthermore confronted with a certain loss of legitimacy of political parties and trade unions, the traditional interpreters of social demands in democracies, but we are also witnessing the appearance of new actors. Who today is considered the legitimate actor in the formulation of social demands and solutions? This question did not pose a problem in the past. Social responsibility was the concern of the state as an institution – the welfare state. Originating with the phenomenon of industrialisation, the social responsibility of the state corresponded to the need to ensure a minimum of socio-economic security and equal treatment. But globalisation poses the problem of the relative loss of power of the state in view of global constraints and the relevance of the national sphere for defining the terms of social responsibility. Power is becoming less visible and less entrenched.

It would therefore seem to be paramount to stimulate a broad debate at the European level on the question of redefining roles and responsibilities between the state, the market and civil society and on the framework within which responsibility should be exercised in the formulation of social solutions. It is important in particular to devote thought to how the role of the various actors in global social responsibility can be better clarified without denying social responsibility at the community level in the exercise of activities and rights concerning the immediate environment.

The logical follow-up to this Forum on New Social Demands and Governance will thus be to organise a second forum in October 2002 on the subject of “New social responsibilities in a globalising world: the role of the state, the market and civil society”. This activity will be developed by the Council of Europe with the participation of the European Parliament and the Parliamentary Assembly of the Council of Europe. The conference will seek first of all to clarify the meaning of the concept of social responsibility and its implications for the conduct of elected representatives, the media, associations, citizens, companies, trade unions, etc., and, secondly, it will focus on the means of identifying a series of recommendations and criteria with a view to creating the best possible framework for developing broader social responsibility. The conclusions and recommendations of the conference will serve as a basis for a plan of action in the field of social responsibility and the conference proceedings will be published in a special issue of “Trends in Social Cohesion”, to be published in the first half of 2003.

II – SESSION 1: HOW TO DETECT SOCIAL DEMANDS

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“An exploration of mechanisms by which citizens and party governments in the member states of the Council of Europe can introduce and detect social demands”

Introduction

This paper will address two questions : What are the mechanisms by which people can introduce a new issue onto the social agenda of a government, and what are the mechanisms used by a government to detect new social demands ?

With respect to the first question this paper will give special attention to the role of civil society organisations. The two questions assume that new social demands have developed as a consequence of political and societal change. There is, indeed, much initial plausibility that processes such as supra-national integration, globalisation, or post-industrialisation in the West as well as democratisation and marketisation processes in the transition countries of central and eastern Europe have a severe impact on the life situation of citizens in the region and across the globe.

In democratic regimes citizens can freely articulate social demands. Such demands are brought to the attention of political authorities in various ways, which we describe below. For democratic regimes it is equally important, however, that demands of the populace are met by responsive government and opposition parties. A participatory citizenry as well as responsive government are conditions for a lasting democracy. This is why the two questions posed carry so much weight.

Citizens try to influence decisions of governments by using different modes of political participation. They become a member of or vote for a political party because they agree with the party's programme. This is equally true for major-interest organisations, such as trade unions. Old and new social

goals are also pursued by voluntary organisations. More recently a new type of organisation, the non-profit sector or non-governmental organisations (NGOs), is on the rise. Most NGOs do not require formal membership but live on public support for their goals. Non-institutionalised modes of direct political participation complement the ways by which citizens make their demands heard by political authorities. Such modes range from signing petitions or organising demonstrations to making a strong protest or revolutionary action.

Modern government is party government. Political parties are constantly exposed to and actively monitor social demands. They consider these demands in the light of the orientation of their programmes. Some of them may be more interested in welfare policies than others. All of them, however, face competitive elections as the main institution regulating access to legitimate power. Although some party politicians may be intrinsically motivated, most of them try to find out the citizens' policy preferences, because they want to be re-elected. Thus, they talk to people in their constituencies, use the mass media, commission representative sample surveys, and do other such things to sniff out demands of the populace. In representative democracies, competitive elections provide the most important institutional mechanism that link citizens and the state (Klingemann and Fuchs 1995).

This paper first looks at conceptual problems and then addresses the question of how people can introduce an issue on the political agenda. Finally, we try to answer the companion question : which mechanisms are used by a government to detect social demands of their citizens ? The latter two questions will be illustrated by empirical data of the Council of Europe's member states.

Conceptual issues

What do we mean by "new social demands" ? This question has no easy answer. Yet, the answer is of central importance to the questions posed. Let us deconstruct the term and start with the concept of a "demand". The concept has been systematically developed by David Easton. His definition reads as follows: "A demand may be defined as an expression of opinion that an authoritative allocation with regard to a particular subject matter should or should not be made by those responsible for doing so" (Easton 1965 : 38). The category is different from other widely used concepts such as "interest", because it has a clear directional component. This is easily

visible when turning to the meaning of “social” demands. Social demands as we know them today have emerged in the process of industrialisation. The risks to wage earners and their dependents of income loss because of disease, disability, lack of employment opportunity, old age, or death are at the core of the concept. Closely connected to these social demands are those in the sectors of health care, housing, and education. Demands for family allowances, psychotherapy, rehabilitation, or legal counselling are part of a broader understanding of the concept (De Swaan 2001 : 973-974).

All these demands reflect the principles of socio-economic security and socio-economic equality, which have been most prominently articulated by trade unions and socialist political parties. These social demands are mostly addressed to the state, which is expected to provide or guarantee minimum welfare standards. In addition, these social benefits are meant to be provided as a “political” right of the citizen, not as a charity (Wilensky 1975 : 1). Representative sample surveys carried out in 1996 by the International Social Survey Programme (ISSP) clearly demonstrate that citizens of fifteen western European countries in the vast majority expect the state to be responsible for welfare measures such as redistribution of income and health (Roller 2001 : 40). In central and eastern Europe, state-orientation of citizens in the area of social policy can be expected to be even stronger as a legacy of communist ideology. Western Europe has responded to social demands by developing various types of welfare regimes (Esping-Andersen 1990). Mainly due to demographic development core aspects of the old welfare institutions are under pressure today. New solutions to old problems are sought. New pension and health schemes are high on the agenda of all European countries, including both old and new democracies.

How do the old social demands differ from the new ones ? We have already mentioned that there is no easy answer to this question. Socio-economic equality and socio-economic security are still the guiding principles of welfare policy. However, while ends remain the same, means may change. There is no doubt that in both western and central and eastern European countries the old institutions of the welfare state have to undergo drastic changes.

There are, however, also more fundamental arguments. Protagonists of modernisation theory emphasise the difference between industrial and post-industrial society (Bell 1973 ; Inglehart 1997). They hypothesise that social demands of citizens change because of fundamental structural changes of society. Thus, the service sector of the economy grows in importance at the expense of industry and agriculture. Value orientations shift from

materialistic to post-materialistic orientations. Freedom aspirations and the inclination of common citizens to participate politically are on the rise (Welzel, Inglehart and Klingemann 2002). New patterns of job mobility, different attitudes towards unemployment, increased demands for environmental protection, and a sustainable development are high on the agenda of post-industrial society. This agenda also includes new social demands such as environmental protection and women's rights. However, a more differentiated substantive classification of new social demands has yet to be established.

It has often been reported that new demands of citizens, including new social demands, have been brought forward by unconventional, non-institutionalised modes of political participation. This indicates that there is a connection between new demands and new or non-institutionalised modes of political participation. We consider this proposition and present data relevant to member states of the Council of Europe.

Data sources for empirical analysis

Two types of data are needed to empirically explore the questions raised above. First, micro-level data are required to assess the probability that, in pursuit of their social demands, citizens engage in different types of political behaviour. Second, macro-level data must be available to describe characteristics of key collective actors. In this analysis micro-level information includes linkages of citizens to major organisations of the intermediary system, such as political parties or trade unions, membership of voluntary organisations promoting social demands, and the readiness to consider non-institutionalised modes of political participation to make authorities listen to political demands. Macro-data are related both to non-governmental organisations (NGOs) and political parties. Characteristics, such as field of activity or emphasis on the expansion of social demands in election programmes, are reported for NGOs and political parties.

Today, the Council of Europe consists of forty-four member states. Nineteen newly established democracies of central and eastern Europe have joined the Council since 1990. It is a plausible assumption that these new democracies differ from the old ones in terms of political culture and the political agenda, including social policy. Thus, it is important to explore these differences empirically to inform programmes initiated by the Council of Europe. However, data sources, which cover all member states, are hard to come by. In fact, we have not been able to find a single data collection

both for micro- as well as for macro-data, which could answer our questions and which covers all forty-four member states. The most comprehensive collection of micro-data giving information on different modes of political orientations and the behavioural inclination of individual citizens are the 1995/2000 comparative surveys of the European Values Study (EVS) (Halman 2001) and the related World Values Survey (WVS). These surveys cover all member states, except the small countries (Andorra, Cyprus, Liechtenstein, and San Marino). The data are representative of the attitudes of the adult population (18 years and older). Period of fieldwork, number of respondents, and type of survey (EVS or WVS) are given in Appendix 1 to this chapter.

The Johns Hopkins Comparative Non-profit Sector Project represents the most comprehensive effort to collect macro-data on NGOs (Salomon, Hems and Chinnock 2000). However, even this most ambitious project relates to only thirteen European countries, four of which come from the central and eastern European region. We use these data to illustrate the specific field of activity and the importance of this new type of political actor in the area of social policy. With respect to programmatic orientation of political parties we rely on the collections of the Party Manifesto Project (Budge et al. 2001). These data give us a handle by which analyse the emphasis political parties place on issues such as social justice, welfare, education and the environment. For the period of 1990-1999 this project covered the same set of countries as the European Values Study/World Values Survey. Parliamentary elections, political parties and their programmes covered are detailed in Appendix 2 to this chapter.

In both the European Values Study/World Values Survey and the Party Manifesto Project, West Germany and East Germany are treated as separate cases. The Party Manifesto Project presents data on the first and last free and fair election of the German Democratic Republic (GDR). The surveys are kept distinct to control for effects of political socialisation. Taking this into account we compare data of twenty western European and twenty central and eastern European countries. As mentioned above, macro-data on NGOs are much more limited in scope.

Design of data analysis

In this analysis we want to explore empirically the various means used by citizens and political parties in the pursuit of social demands. The individual country serves as the unit of analysis. This means that both micro- and macro-data are aggregated and compared at country level.

Two types of results will be presented. First, we use averages across all countries as the criteria to sort countries into two groups. One group consists of countries above, the other of those countries below the average of a characteristic of interest. This mode of presentation helps to roughly distinguish between countries in which channels promoting social demands are more developed and those in which these channels are less developed. Results of this effort of classification can easily be related to what readers already know about the countries under study. Second, we discuss differences between western European and central and eastern European countries in a systematic fashion (“West-East” comparison). This analysis is meant to provide information on characteristics, which are important indicators for a “West-East” divide.

How can citizens bring a new issue onto the social agenda of a government?

This question implies political motivation and action on the part of citizens. In modern society citizens command a broad repertory of modes of political participation, which enables them to influence political decision-making. Various efforts have been made to classify modes of political participation. In our analysis it is useful to distinguish between institutionalised modes of political participation, which follow the logic of representative democracy, and non-institutionalised modes of political participation, which follow a different logic. This latter logic is closer to the philosophy of direct democracy and includes such means as political protest and other forms of expressing dissenting views directly. Non-institutionalised modes of political participation are often used to push new social demands onto the political agenda.

Support of political parties and trade unions as a potential mechanism to influence the political agenda

Typical examples of modes of political participation that follow the models of representative democracy are voting in elections or joining a political party, or becoming a member of an interest group that supports specific policy goals, such as a trade union. In Europe, it has often been observed that support is given to both a political party and a complementary voluntary organisation that is the party’s “natural” ally. One illustration of this pattern is support for socialist parties on the one hand and trade unions on the other.

This mode of political participation implies that political parties and trade unions can be identified by well-known political positions. Although there is a certain chance that party members can influence such positions by participating in the organisation's process of political decision-making, it is unlikely that a single member could induce radical change. People vote, become members, help in the campaign, and pledge their support because they agree with the organisation's established political goals. They act in the expectation that, once in office, political parties will make an effort to honour pledges and be true to their general principles. Results of empirical research demonstrate that this expectation is not unfounded (Klingemann, Hofferbert and Budge 1994).

Table 1 shows results of representative surveys regarding the politics of political representation. Vote intention and party membership are taken to indicate that citizens support political parties to promote their preferred (social) policy goals. Trade union membership is interpreted as another channel citizens use to support expansion of welfare policies. On average, 68% of citizens report that they would participate in a general election; 6.7% say that they are members of a political party. The respective figure is 16.8% for trade union membership.

Although countries differ by a wide margin, support of political parties seems to be the most common mode citizens use to express political demands. Twenty-four of the forty countries under consideration rank above average on party support (considering vote intention or party membership).

Trade unions have played a different role in representative democracies and communist regimes. However, today, trade unions in former communist regimes are widely recognised as organisations articulating social demands. Reorganisation of trade unions has resulted in a drastic decline of membership. Today, consolidation has started or is well underway in most central and eastern European countries (Wessels 1994). Membership figures range from 62.4% in Sweden to 1.7% in Armenia. They are particularly high in the Nordic countries where the labour movement has a traditional stronghold. Data show low percentages of trade union membership in western Europe in countries such as Portugal, Spain, France, Italy, and in eastern Europe in countries such as Armenia, Georgia, Lithuania, and Estonia. A total of twenty-six countries rank below the cross-country mean.

Table 1 : Political representation in member states of the Council of Europe at the end of the 1990s (political organisations promoting social demands: political parties and trade unions) (%)

Country	Intention to vote for a political party²	Membership of political party³	Membership of trade union
Moldova	92.6	2.9	36.3
Georgia	91.5	3.7	3.5
Armenia	90.0	1.6	1.7
Norway	89.8	15.5	47.1
Netherlands	89.8	9.3	23.6
Albania	87.6	33.8	9.1
Turkey	86.6	8.8	5.1
Denmark	78.1	6.8	54.7
Luxembourg	78.1	6.5	13.5
Ireland	76.4	4.5	10.3
Slovakia	76.2	6.9	16.4
Sweden	75.9	10.4	62.4
Finland	75.5	6.2	33.9
Malta	73.6	7.3	9.7
Iceland	71.7	19.0	59.9
United Kingdom	70.9	2.7	7.3
"West Germany" ¹	69.7	3.1	6.7
Poland	69.5	0.9	10.1
Estonia	68.6	2.2	4.9
Austria	68.5	12.0	19.1
Latvia	67.2	2.0	11.5
Belgium	67.1	7.1	15.8
Czech Republic	66.1	4.5	10.6
"East Germany" ¹	65.0	2.8	7.4
Russia	62.9	0.7	23.1

Country	Intention to vote for a political party ²	Membership of political party ³	Membership of trade union
"the former Yugoslav Republic of Macedonia"	62.8	21.3	20.3
France	60.6	1.9	4.1
Switzerland	59.5	16.9	16.8
Portugal	58.0	1.7	2.4
Ukraine	55.4	2.1	21.1
Hungary	55.1	2.0	7.3
Slovenia	54.6	3.1	17.0
Italy	54.0	4.2	6.3
Croatia	53.1	5.1	11.8
Spain	51.7	2.1	3.6
Bulgaria	51.7	4.9	7.6
Azerbaijan	51.2	6.5	28.9
Greece	50.6	9.2	9.4
Romania	48.4	2.4	9.2
Lithuania	45.5	2.3	2.4

1. West and East Germany are treated as two separate countries.
2. Vote intention: If there were a general election tomorrow, which party would you vote for? Cell entries: Proportion of respondents who mentioned a political party.
3. Membership of political party or trade union: Please look carefully at the following list of voluntary organisations and activities and say which, if any, do you belong to? "Political parties or groups;" "trade unions." Cell entries: Proportion of respondents who claimed to be members.

Combining the data on support of political parties and trade unions as a possible way to express social demands, we arrive at the following four groups of countries:

1. Relatively high importance of political parties and trade unions: Sweden, Norway, Denmark, Finland, Iceland, Netherlands, Austria, Switzerland, "the former Yugoslav Republic of Macedonia", Moldova (10 countries).

2. Relatively high importance of political parties and relatively low importance of trade unions: Belgium, Luxembourg, Greece, West Germany, United Kingdom, Ireland, Malta, Turkey, Albania, Armenia, Estonia, Georgia, Poland, Slovakia (14 countries).
3. Relatively low importance of political parties and relatively high importance of trade unions: Azerbaijan, Russia, Slovenia, Ukraine (4 countries).
4. Relatively low importance of both political parties and trade unions: France, Italy, Spain, Portugal, East Germany, Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Romania (12 countries).

The first group represents those countries that have a well-developed system of interest intermediation. All five Nordic countries belong to this group. Of the central and eastern European countries only “the former Yugoslav Republic of Macedonia” and Moldova qualify. The fourth group, which is characterised by below-average importance of political parties and trade unions, contains eight central and eastern European countries as well as four southern European countries. In these countries citizens may experience a low degree of responsiveness from both political parties and trade unions. This could explain why citizens of these countries are relatively reluctant to support these key players in the process of political representation. Above-average representation of parties and below-average representation of trade unions is found to be the modal pattern with a mix of eight western European and six central and eastern European countries. The reverse pattern, on the other hand, is quite rare and is observed in just four eastern European countries.

A more rigorous comparison of differences between the group of western European (“West”) and the group of central and eastern European countries (“East”) is presented in Table 2.

**Table 2: Political organisations promoting social demands:
Political parties and trade unions, a “West-East” comparison (%)**

	Mean		Total
	West	East	
Vote intention	70.3	65.8	68.0
Party membership	7.8	5.6	6.7
Trade union membership	20.6	13.0	16.8

Although differences point to a higher degree of political participation in western Europe, they are not significant in a statistical sense. Variation within both groups is considerable, as we have seen, for example, when comparing the Nordic and the southern European countries. Thus, there is no single deep “West-East” divide. Strengths and weaknesses of political parties and trade unions as potential addressees of social demands follow more complex regional patterns.

Membership of voluntary organisations promoting social demands as a potential mechanism to influence the political agenda

Voluntary organisations are a trademark of civil society. They are regarded as producers of social capital, thus, improving the quality of the democratic process (Putnam et al. 1993). Voluntary organisations are also active in the social sector. Citizens concerned with providing social welfare services matters of health or education create and use voluntary associations to promote such demands. Depending on their size of membership and skills of political mobilisation, much pressure can be put on political authorities to get such items on to the national political agenda.

Tables 3.a and 3.b assemble membership data for three different old and two new types of voluntary organisations promoting social demands. The old one typically displays social welfare demands such as services for the elderly, handicapped or deprived people; health; education including cultural activities. The new ones are related to the environment and women’s issues. As was the case with political parties and trade unions, there are large differences between countries in the size of the membership of voluntary organisations. Membership of a charitable organisation ranges from 28.2% in Norway to 1.2% in Georgia. Health charities attract 12.2% of the adult population in the United Kingdom but barely 1% in the Russian Federation. It transpires that Russia is a country with a particularly weak voluntary organisation structure on all fronts.

Even more drastic differences between countries become visible in the area of membership of environmental organisations and women’s groups. With few exceptions these differences reflect an West-East divide with much lower membership figures in the East.

**Table 3.a : Membership of voluntary organisations promoting old social demands.
Member states of the Council of Europe at the end of the 1990s (%)**

Country	Voluntary organisations promoting old social demands ¹		
	Elderly	Health	Education
Sweden	21.1	6.5	26.8
Iceland	18.1	3.4	15.7
Netherlands	21.5	8.5	45.2
Norway	28.2 ²	⁴	21.8 ³
Denmark	6.6	4.0	16.8
Switzerland	22.6 ²	⁴	29.8 ³
Finland	10.6	8.9	14.7
Albania	2.5 ²	⁴	9.2 ³
Austria	7.7	9.1	13.4
Belgium	11.8	5.7	19.5
Slovakia	7.7	5.0	7.4
Moldova	4.0 ²	⁴	9.1 ³
Czech Republic	7.3	6.5	12.5
Luxembourg	17.1	9.2	19.8
Ireland	7.9	5.0	11.4
Greece	11.1	7.9	23.9
Slovenia	7.5	3.2	10.4
"West Germany" ⁵	4.8	3.2	8.4
"the former Yugoslav Republic of Macedonia"	14.5 ²	⁴	14.4 ³
Azerbaijan	2.2 ²	⁴	7.8 ³
Croatia	1.9	3.6	7.9
Malta	5.3	1.9	5.7

	Voluntary organisations promoting old social demands¹		
Country	Elderly	Health	Education
"East Germany" ⁵	3.6	2.1	6.0
Italy	7.1	4.9	10.3
France	5.9	2.7	8.3
Ukraine	2.0	1.4	3.3
United Kingdom	19.0	12.2	10.8
Estonia	4.2	1.2	9.8
Russia	1.6	0.8	1.2
Latvia	2.3	1.1	5.9
Spain	4.2	2.8	7.6
Hungary	3.8	2.5	4.4
Turkey	4.4 ³	⁴	4.5 ³
Portugal	3.6	2.6	3.8
Poland	4.0	1.8	3.0
Bulgaria	2.2	1.4	4.5
Romania	1.7	1.0	2.6
Lithuania	1.3	1.8	3.3
Armenia	2.0 ²	⁴	7.4 ⁴
Georgia	1.2 ²	⁴	5.9 ⁴

1. Please look carefully at the following list of voluntary organisations and activities and say which, if any, do you belong to? Elderly = social welfare services for elderly, handicapped, or deprived people; health = voluntary organisations concerned with health; education = education, arts, music, or cultural activities.

2. Belong to a "charitable organisation."

3. Belong to an "arts, music, or educational organisation."

4. No data available.

5. East Germany and West Germany have been treated as two separate countries

Cell entries: Proportion of respondents who claim to be members.

**Table 3.b: Membership of voluntary organisations promoting *new* social demands.
Member states of the Council of Europe at the end of the 1990s (%)**

Country	Voluntary organisations promoting <i>new</i> social demands ¹	
	Environmental organisations	Women's groups
Netherlands	45.1	4.1
Switzerland	20.4	-
Greece	15.6	5.5
"the former Yugoslav Republic of Macedonia"	14.4	-
Denmark	13.2	2.2
Luxembourg	12.1	7.1
Sweden	11.7	3.5
Belgium	10.7	8.7
Austria	9.7	5.2
United Kingdom	8.7	2.5
Czech Republic	7.6	2.7
Norway	6.7	-
Finland	5.6	3.8
Iceland	4.6	6.0
Moldova	4.5	-
Slovenia	4.2	2.0
Italy	4.0	0.5
Ireland	3.5	5.4
Croatia	3.1	1.6
Slovakia	3.0	7.2
Hungary	2.9	0.4

	Voluntary organisations promoting new social demands¹	
Country	Environmental organisations	Women's groups
"West Germany" ³	2.7	4.2
Malta	2.8	2.0
Spain	2.5	2.3
Turkey	2.3	- ²
France	2.1	0.5
Bulgaria	2.1	1.1
Estonia	2.1	2.5
"East Germany" ³	1.9	4.1
Albania	1.9	- ²
Poland	1.7	1.5
Armenia	1.5	- ²
Romania	1.0	0.5
Latvia	1.0	0.5
Lithuania	0.9	0.5
Portugal	0.9	0.1
Russian Federation	0.8	0.5
Azerbaijan	0.8	- ²
Ukraine	0.6	1.0
Georgia	0.5	- ²

1. Please look carefully at the following list of voluntary organisations and activities and say which, if any, do you belong to? Environmental organisations: conservation, environment, ecology, animal rights; women's groups: women's groups.

2. No data available.

3. East Germany and West Germany have been treated as two separate countries

Cell entries: Proportion of respondents who claimed to be members.

To classify countries we again use the overall cross-country averages (elderly etc., 7.9 % ; health, 4.3 % ; education etc., 11.4 % ; environmental organisations, 6.0 % ; women's groups, 2.9 %). If a country has a membership figure above average in one of the three voluntary organisations representing the classic welfare areas (elderly, health, education), it will be scored as (relatively) strong in voluntary organisations promoting old social demands ; the same procedure is applied to the two voluntary organisations representing new social demands (environment ; women's rights).

Classification of countries along these lines produces almost similar groups for voluntary organisations promoting old and new social demands. Countries that show a strong membership in voluntary organisations promoting old social demands tend to also have strong membership in voluntary organisations promoting new social demands (average correlation: $r = 0.64$). The Nordic countries are again among those with above-average membership figures on both counts. Of the central and eastern European countries only the Czech Republic, Slovakia, and "the former Yugoslav Republic of Macedonia" show a similar pattern.

Cross-classification of old and new social demands generates the following groups of countries :

1. Relatively strong voluntary organisations promoting "old" social demands and relatively strong voluntary organisations promoting "new" social demands : Norway, Sweden, Denmark, Finland, Iceland, Belgium, the Netherlands, Luxembourg, United Kingdom, Ireland, Switzerland, Austria, Greece, Czech Republic, Slovakia, "the former Yugoslav Republic of Macedonia" (16 countries).
2. Relatively strong voluntary organisations promoting old social demands and relatively weak voluntary organisations promoting new social demands : Italy (1 country).
3. Relatively weak voluntary organisations promoting old social demands and relatively strong voluntary organisations promoting new social demands : West Germany, East Germany (2 "countries").
4. Relatively weak voluntary organisations promoting old social demands and relatively weak voluntary organisations promoting new social demands : France, Spain, Portugal, Malta, Poland, Hungary, Slovenia, Croatia, Turkey, Romania, Bulgaria, Albania, Estonia, Latvia, Lithuania, Russian Federation, Ukraine, Moldova, Armenia, Georgia, Azerbaijan (21 countries).

Results show a strong clustering of two groups of countries. On the one hand, there are sixteen mostly western European countries, which have relatively strong voluntary organisations representing old social demands and which, in addition, have relatively strong voluntary organisations representing new social demands. On the other hand, we find a group of countries with the opposite pattern. Seventeen central and eastern European countries dominate this group of countries characterised by weak voluntary organisations. Of the western European countries only France, Spain, Portugal, and Malta belong to this group. Three countries do not confirm the dominant pattern: Italy, West and East Germany.

Results of systematic “West” and “East” comparisons of voluntary organisation membership are presented in Table 4.

Table 4: Membership in voluntary organisations promoting old and new social demands, a “West-East” comparison (%)

	Mean		Total
	West	East	
Old social demands			
1. Elderly	11.9	3.9	7.9
2. Health	5.8	2.4	4.3
3. Education	15.9	6.8	11.4
New social demands			
4. Environment	9.2	2.8	6.0
5. Women	3.7	1.9	2.9

Unlike in the area of political parties and trade unions, we find strong support for a “West-East” divide for both types of voluntary organisations. Taking into account the importance of civil-society organisations for the process of interest articulation, the weakness of civil society in central and eastern Europe should not be taken lightly.

Non-governmental organisations (NGOs) as a potential mechanism for influencing the political agenda

Recently, the role of non-governmental organisations (NGOs) in influencing the political process has met with increasing interest. NGOs are commonly defined as organisations which have a formal structure, are independent of the state, don’t work for profit (non-profit making), have an administration that is independent, live to a certain degree on voluntary contributions,

and have no mandatory membership (Priller and Zimmer 2001:13). Although size and importance of the non-profit sector is astonishingly great, comprehensive comparative data are still in short supply. The best evidence so far has been produced by groups of scholars in twenty-two countries across the globe under the leadership of the Johns Hopkins Comparative Non-profit Sector Project (Salomon, Hems and Chinnock 2000). This project also includes nine western European and four central European countries, all of which are member states of the Council of Europe.

Table 5: Non-profit sector full-time employment, by country and field of activity, selected western and central European countries (1995) (%)

Country	Social services	Health	Culture and education	Environment	Other fields	Total number of employed	Non-profit share of total employment ¹
<i>Western Europe</i>							
Austria	64	12	17	0	7	143 637	4.5
Belgium	14	30	44	1	11	357 802	10.5
Finland	18	23	39	1	18	62 848	3.0
France	40	15	33	1	11	959 821	4.9
Germany	39	31	17	1	13	1 440 850	4.9
Ireland	5	28	60	1	6	118 664	10.5
Netherlands	19	42	32	1	7	652 829	12.6
Spain	32	12	37	0	19	475 179	4.5
United Kingdom	13	4	65	1	16	1 415 743	6.2
<i>Central Europe</i>							
Czech Rep.	11	14	46	4	25	74 196	1.7
Hungary	11	5	48	2	34	44 938	1.3
Romania	21	13	52	1	14	37 353	0.6
Slovakia	5	2	65	7	20	16 196	0.9

1. Non-agricultural full-time employment.

Source: The Johns Hopkins Comparative Non-profit Sector Project.

Table 5 gives an indication of the relative importance of the NGOs in the area of social services, health, culture and education, and environment. The table shows the share of non-profit sector full-time employment as a share of total non-agricultural full-time employment. Varying in size across countries it averages 5.1%; the range in western European countries is

much higher (6.9%) than for central European countries (1.1%). Relative to these total non-profit employment figures, fields of activity of NGOs are predominantly in areas of the traditional human services (education, health, social services) as well as in the area of expression and rights (environment, culture and arts, human rights).

On average, “culture and education” receives the relatively highest degree of attention, followed by “social services” and “health” concerns. Although the database does not include all member states of the Council of Europe, we suspect that the importance of NGO activity as a potential mechanism to get social demands onto the political agenda is larger in the western European than in the central and eastern European countries.

Non-institutionalised political participation of citizens as a potential mechanism for influencing the political agenda

Research has documented a broadening of the means of action and a sizeable increase in political participation of citizens since the 1950s (Barnes, Kaase et al. 1979; Topf 1995). This is particularly true for non-institutionalised modes of political participation. More and more citizens want to participate directly in political decision-making; signing petitions, attending demonstrations, or join in boycotts have by now become legitimate forms of political participation. Today, the inclination to join in the activities of social movements are part and parcel of the political experience of the younger generation. A large part of this development can be explained by rising levels of education and prosperity, which generated a more resourceful, cognitively well equipped, and increasingly critical populace, able to push social demands onto the political agenda of governments. Non-institutionalised political participation has typically been used to promote new social demands such as environmental protection and women’s rights. Thus, engagement in non-institutionalised modes of political participation can be regarded as an important mechanism to influence the political agenda.

Table 6 documents the degree to which citizens of member states of the Council of Europe are prepared to engage in non-institutionalised forms of political action. The proportion of citizens having signed a petition, attended lawful demonstrations, or joined in boycotts, that is, having participated in either one of these three activities, ranges from 88.5 % in Sweden to 15.5 % in Moldova. The overall mean across all forty countries is 45.1 %. Participation levels above that mean are found in nineteen countries. With the exception of East Germany, the Czech Republic, and

Slovakia, all those above the mean are western European countries. Among those below average are all other central and eastern European countries as well as Malta, Spain, Portugal, and Turkey (with Malta being a borderline case). In general, however, the “West-East” difference comes out quite strongly again :

1. Relatively high non-institutionalised political participation : Norway, Sweden, Denmark, Finland, Iceland, Belgium, Netherlands, Luxembourg, France, Italy, Greece, West Germany, Austria, Switzerland, United Kingdom, Ireland, East Germany, Czech Republic, Slovakia (19 countries).
2. Relatively low non-institutionalised political participation : Spain, Portugal, Malta, Turkey, Poland, Hungary, Slovenia, Croatia, “the former Yugoslav Republic of Macedonia”, Romania, Bulgaria, Albania, Estonia, Latvia, Lithuania, Russian Federation, Ukraine, Moldova, Armenia, Georgia, Azerbaijan (21 countries).

**Table 6 : Non-institutionalised modes of political participation as a potential mechanism for communicating social demands.
Member states of the Council of Europe at the end of the 1990s¹ (%)**

Country	Use of at least one of these modes	Petitions	Demonstrations	Boycotts
Sweden	88.5	87.3	35.8	34.0
United Kingdom	79.7	79.6	13.3	16.6
Belgium	74.7	71.8	39.9	12.1
France	71.4	68.0	39.4	13.0
Norway	69.0	64.7	26.1	18.1
Switzerland	67.7	67.0	17.3	11.3
Netherlands	67.3	61.4	32.3	21.9
Denmark	64.9	56.8	29.3	24.9
“East Germany” ²	64.9	62.3	46.8	6.4
Greece	64.7	49.6	47.5	4.7
Ireland	62.1	60.6	21.9	8.5
Italy	60.9	54.6	34.8	10.3
Czech Republic	60.6	58.4	27.6	9.0
Slovakia	59.4	59.3	14.4	4.2

Country	Use of at least one of these modes	Petitions	Demonstrations	Boycotts
Austria	57.6	56.1	16.0	9.7
Iceland	57.5	53.0	20.7	17.8
Luxembourg	56.3	52.7	30.3	9.1
Finland	50.9	50.8	14.8	15.2
"West Germany" ²	49.0	47.0	21.7	10.2
Malta	42.3	33.1	25.5	10.6
Croatia	38.1	37.4	7.7	8.0
Armenia	37.2	18.4	29.5	11.7
Slovenia	34.5	32.4	9.8	8.2
Latvia	33.8	19.1	25.1	4.0
Spain	33.8	28.6	26.9	5.6
Portugal	31.5	26.9	17.0	5.7
Lithuania	30.8	30.5	13.4	5.1
Albania	30.0	27.1	19.1	11.7
Russian Federation	28.6	11.7	23.9	2.5
Georgia	26.0	14.2	19.9	6.0
Estonia	25.1	20.9	11.3	3.1
Poland	24.4	21.1	8.8	4.3
Azerbaijan	24.2	10.3	20.9	2.7
Ukraine	23.3	13.9	18.3	4.9
Turkey	21.6	19.7	9.1	9.1
"the former Yugoslav Republic of Macedonia"	20.1	15.4	10.8	8.0
Bulgaria	20.1	12.0	17.0	4.0
Romania	18.5	10.7	14.8	1.9
Hungary	16.2	15.8	4.9	2.9
Moldova	15.5	10.4	8.3	1.0

1. Now I'd like you to look at this card. I'm going to read out some different forms of political action that people can take, and I'd like you to tell me, for each one, whether you have actually done any of these things, whether you might do it or would never, under any circumstances, do it. Petition = signing a petition ; demonstrations = attending lawful demonstrations ; boycotts = joining in boycotts.

2. East Germany and West Germany have been treated as two separate countries
 Cell entries : Proportion of respondents who claim that they "have done it."

The analysis of variance between “West” and “East” shows the following results :

Table 7: Non-institutionalised modes of political participation as a potential mechanism for communicating social demands: a “West-East” comparison (%)

	Mean		Total
	West	East	
1. Have participated in at least one of the following three modes	58.6	31.6	45.1
1.1 Petitions	54.5	25.1	39.8
1.2 Demonstrations	26.0	17.6	10.0
1.3 Boycotts	13.4	5.5	9.5

This analysis further substantiates the conclusion of a “West-East” divide also in the area of non-institutionalised modes of political participation. Citizens in central and eastern Europe are less ready than their western European counterparts to use this type of behaviour to make their demands known to those holding political office.

What are the mechanisms used by party governments to detect new demands ?

This question brings us back to representative government. We have already looked at the willingness of citizens to support political parties and trade unions in the promotion of their demands in the process of political representation. We have found that in this respect member states of the Council of Europe do not differ so much by a “West-East” divide. We now discuss the same relationship from the point of view of political parties. Do political parties have an interest and the means to detect and monitor social demands of citizens ? A major motivation for political parties to take an interest in citizens’ demands is their own interest in being re-elected. It has been shown that the chance of being re-elected increases when political parties are responsive to the citizens’ demands and act efficiently in the policy-making process, the main criteria by which voters evaluate government and opposition parties.

There are various ways for political parties to learn about citizens’ social demands. First, politicians of both government and opposition parties are in almost constant contact with voters in their respective constituencies. In

addition, in most countries public opinion data are available so that politicians can detect social demands of citizens in a more systematic fashion. Second, policy-makers have many ties to organised social interests. Representatives of interest organisations are heard by parliamentary committees or are consulted by the various ministries in the process of preparing social legislation. These organised interests also actively lobby for the implementation of their goals. Third, political parties pay attention to the mass media. The mass media often write and talk about social demands and report the position on these matters of significant actors such as trade unions or health organisations. This information is analysed by government and opposition parties alike and used to plan their moves in the next election campaign. Fourth, and last, governments are directly confronted with social demands when they are brought to the fore by voluntary organisations, demonstrations, boycotts, or other non-institutionalised modes of political action. We are not aware of comparative empirical analyses which provide data about the various mechanisms political parties use to detect social demands. They are badly needed to evaluate relative success or failure of such mechanisms.

We have argued that competitive elections provide key incentives for political actors to watch out for and pay attention to social demands of potential voters. To explore the degree to which political parties accord weight to social themes in the various member states of the Council of Europe we make use of the unique collection of data generated by the Comparative Manifesto Project. In this project election programmes of political parties are described using a classification scheme that offers fifty-six broad categories. The number of sentences of a programme which fall into each of the fifty-six categories is recorded and standardised by expressing frequencies as a proportion of the total number of sentences of each individual programme. In this analysis we will present results related to the following categories which have a clear relation to social demands:

1. *Old social demands*
 - a. *Social justice*

Advocating social equality; need for fair treatment of all people; special protection for the underprivileged; need for fair distribution of resources; removal of class barriers; end of discrimination such as racial or sexual discrimination.
 - b. *Welfare state expansion*

Favourable mentions of need to introduce, maintain, or expand any social service or social security scheme; support for social services such as health service or social housing.

- c. *Education expansion*
Need to expand and/or improve educational provision at all levels.
- 2. *New social demands*
 - a. *Environmental protection*
Preservation of countryside, forests etc.; general preservation of natural resources against selfish interests; proper use of national parks; soil banks, etc.; environmental improvement.

The time period under consideration begins in 1990 when most of the (new) central and eastern European member states started the process towards achieving democratic consolidation, and ends in 1999 at the cutting edge of the Comparative Manifesto Project's data-generation process. In the 40 countries (20 "West"; 20 "East") 100 national parliamentary elections (45 "West"; 55 "East") took place. Election programmes were collected for all political parties which managed to win at least 2 seats in the respective parliamentary elections. This criterion was met in 438 political parties (143 "West"; 295 "East") and together they produced a total of 717 election programmes (290 "West"; 427 "East"). More details are presented in Appendix 2 to this chapter.

In this exploration we are interested only in broad country profiles. Therefore, we summarise the available data in two steps. First, we aggregate information from all parliamentary elections that took place in a country between 1990 and 1999. All but four countries (Azerbaijan, the former East Germany, Luxembourg, Moldova) had at least two elections during this period. This should contribute to the reliability of our indicators. Second, we represent the degree to which political parties of a particular country advocate social demands in their communication to voters by taking the average of such positions across all parties. The number of political parties varies between three major parties in United Kingdom and as many as twenty-six parties in Poland and Georgia.

Results are presented in Table 8. Countries are arrayed by the average proportion of space that political parties dedicate in their election programmes to the promotion of the expansion of old and new social demands. Proportions range from 36.5 % in Finland to 13.2 % in Albania. On average, political parties in all countries devote about a quarter of their programme's content to matters of social demand (24.3 %). This seems to be a fair share considering the many other problems competing for a place on the political agenda. However, fifteen out of the twenty countries that rank above average on welfare matters are western European member states of the

Council of Europe. This proportion is reversed for the group of countries that is below average. Thus, party responsiveness to social demands also seems to follow a “West-East” divide.

This picture changes, however, if we look at old and new social demands separately. The group of countries where political parties give above average emphasis to either “social justice,” or “welfare state expansion,” or “education expansion” consists of eighteen western European and thirteen eastern European states. Thus, eastern European countries are quite well represented as far as the political parties’ emphasis on old social demands is concerned. The same is not true, however, for new social demands; just three of the seventeen “above average” countries come from central Europe (Croatia, Czech Republic, East Germany).

Table 8: Emphasis on the expansion of old and new social demands in the election programmes of political parties in the member states of the Council of Europe (1990-1999) (%)

Country	Social demands expansion old and new	Old			New
		Social justice	Welfare state expansion	Education expansion	Environmental protection
Finland	36.5	8.3	8.8	4.3	12.5
Malta	35.3	5.1	13.8	6.3	4.1
Sweden	35.2	10.9	5.6	3.3	12.7
Luxembourg	33.9	2.4	10.1	6.2	8.9
Portugal	33.9	5.9	9.8	4.5	5.6
Germany	32.6	4.4	6.0	3.1	11.3
“East Germany”	32.5	3.5	6.1	4.4	7.8
Slovenia	32.6	6.5	7.5	5.4	4.6
Ireland	31.6	9.2	6.9	4.1	7.3
Iceland	30.1	6.2	8.3	5.7	5.0
Norway	30.0	3.3	8.4	5.6	9.7
United Kingdom	27.7	3.3	8.2	6.2	6.2
Belgium	27.5	2.2	8.0	5.6	4.5
Netherlands	27.2	4.1	4.8	4.5	7.6
Estonia	26.9	2.5	12.0	6.3	2.5

Country	Social demands expansion old and new	Old			New
		Social justice	Welfare state expansion	Education expansion	Environmental protection
France	26.3	6.5	5.6	4.1	7.1
Switzerland	25.6	5.4	8.7	2.7	7.5
Greece	25.5	3.9	5.6	4.5	4.2
Slovakia	24.9	3.5	7.7	4.3	4.8
Croatia	24.8	5.2	3.7	2.6	9.9
Latvia	24.2	1.4	11.9	4.1	2.1
Austria	23.9	6.5	3.1	2.9	9.3
Denmark	22.3	1.9	5.7	4.5	5.1
Spain	22.2	2.2	8.3	4.2	4.1
Romania	22.1	2.2	5.6	3.9	4.5
Azerbaijan	21.5	7.3	2.6	1.7	0.6
Czech Republic	19.4	3.0	4.6	2.9	5.0
Italy	19.0	3.2	1.9	2.4	6.0
Hungary	18.8	2.7	6.2	4.1	3.2
Ukraine	17.9	3.0	7.4	1.9	2.1
Bulgaria	17.5	1.2	5.2	3.4	3.4
Lithuania	17.4	1.6	6.2	2.5	2.5
Russia	16.9	3.0	6.7	1.4	1.4
Turkey	16.8	2.7	5.2	3.4	1.7
"the former Yugoslav Republic of Macedonia"	16.4	0.6	7.1	2.6	2.7
Poland	16.3	2.5	6.1	3.1	2.0
Georgia	15.3	5.7	1.9	3.0	1.8
Armenia	15.2	3.5	4.6	2.6	1.3
Moldova	14.2	2.8	5.6	1.7	0.6
Albania	13.2	2.5	3.5	2.5	1.0

Combining the two classifications results in the following groupings:

1. Relatively high emphasis by political parties on the expansion of old social demands and relatively high emphasis of political parties on the expansion of new social demands: Norway, Sweden, Finland, Denmark, Netherlands, Luxembourg, France, Portugal, West Germany, Austria, Switzerland, United Kingdom, Ireland, East Germany, Croatia (15 countries).
2. Relatively high emphasis by political parties on the expansion of old social demands and relatively low emphasis by political parties on the expansion of new social demands: Iceland, Belgium, Spain, Greece, Malta, Slovakia, Hungary, Slovenia, "the former Yugoslav Republic of Macedonia", Romania, Estonia, Latvia, Ukraine, Russian Federation, Georgia, Azerbaijan (16 countries).
3. Relatively low emphasis by political parties on the expansion of old social demands and relatively high emphasis by political parties on the expansion of new social demands: Italy, Czech Republic (2 countries).
4. Relatively low emphasis by political parties on the expansion of old social demands and relatively low emphasis by political parties on the expansion of new social demands: Turkey, Poland, Bulgaria, Lithuania, Albania, Moldova, Armenia (7 countries).

The first two groups just confirm what has already been said about the political parties' emphasis on old and new social demands. The likelihood of an over-representation of new and an under-representation of old social demands is low. This combination is observed in two countries only. There is, however, the group of six central and eastern European countries plus Turkey, where emphases on both dimensions fall below average. These party systems are only partly responsive to social demands.

Table 9 underscores these results. Political parties' emphasis on environmental protection, the indicator of new social demands, clearly shows a dichotomy between "West" and "East." This distinction is much lower for the set of indicators of old social demands. This is particularly true for "expansion of the welfare state."

These results show that political parties in central and eastern Europe take up the classical old social demands first, in their effort to compete for votes in elections. The same is not the case for new social demands. Given the social and economic situation of central and eastern European states, it seems reasonable that the more basic social needs command priority.

Table 9: Emphasis on the expansion of old and new social demands in the election programmes of political parties, a “West-East” comparison (%)

	Mean		Total
	West	East	
1. Social demands expansion old and new	28.2	20.4	24.3
2. Old social demands			
2.1. Social justice	4.9	3.2	4.0
2.2. Welfare state expansion	7.1	6.1	6.6
2.3. Education expansion	4.4	3.2	3.8
3. New social demands			
3.1. Environmental protection	7.0	3.2	5.1

As it stands now this result leaves some hope. While membership of voluntary organisations is weak in central and eastern Europe and the potential for non-institutionalised participation is low, responsive and socially conscious party systems may compensate for at least part of this weakness.

Conclusions

In this paper we have tried to answer two questions :

1. What are the mechanisms by which people can introduce new issues onto the social agenda of a government ?
2. What are the mechanisms used by political parties to emphasise and detect (new) social demands ?

Conceptual issues were discussed first. We have concluded that both old and new social demands reflect the principles of socio-economic security and socio-economic equality. These principles, however, may relate to specific historical conditions. Post-industrial society creates social problems different from the ones encountered in industrial society. Taking this into consideration, we have labelled traditional concerns of the European

welfare state, such as social security, health, and education, as “old” social demands and newly emerging concerns, such as environmental protection and women’s rights, as “new” social demands. We expect that there is a difference in importance for old and new social issues for the established democracies in western Europe and the newly emerging central and eastern European democracies. This expectation is based on different economic conditions.

We have proposed three mechanisms by which ordinary citizens express their concerns in mostly non-institutionalised ways, and one institutionalised mechanism – democratic elections – which generates incentives for parties to listen to the demands of citizens:

1. Citizens may use the traditional intermediary channels. Thus, they may decide to support political parties by becoming members and supporting their party in elections as well as becoming members of interest groups such as trade unions, which represent their interests. This is still the dominant mode of participating in the political process for most citizens. Political parties and interest groups lay out their political programmes and it is the individual citizen as a member or voter who supports the programme which she or he finds appealing.
2. Citizens may decide to become members of voluntary organisations or support non-governmental organisations. Normally, such organisations offer programmes that are much more specific than those of political parties. This is an advantage when it comes to lobbying and mobilisation for a particular cause. In all countries under consideration, we find such voluntary organisations operating in the areas of old and new social demands.
3. We have argued that new social goals have been brought to the attention of political authorities and the public at large by using *non-institutionalised modes of political participation*. This has been done, for example, to advance environmental goals and women’s rights.
4. We have discussed the various mechanisms that political parties and party governments use to detect social demands. We have stressed the unique role of competitive elections as an institution forcing political parties to respond to citizens’ demands.

Relying on various data sources, we have tried to place member states of the Council of Europe within the parameters described above. First, we have

compared figures for individual states with the overall mean taken across all countries in the analysis. This resulted in the presentation of groups of countries that were above or below the overall average on one or several of the indicators. Second, we have systematically explored similarities and differences between the group of western European countries and the group of central and eastern European countries. Although there is a high degree of divergence between countries, the various classification results as well as the results of the “West-East” comparisons point to systematic differences between western Europe, and central and eastern Europe. The capacity to express and promote social demands is larger in the West. This is most visible for voluntary organisations and non-institutionalised modes of political participation. It is less expressed when it comes to support for political parties or trade unions, and in the emphasis political parties give to old social demands in their election programmes.

In this final section we combine all available evidence to group countries and compare the relative importance of indicators generating the “West-East” divide. For both types of analyses we use the following seven indicators, which can take on values of 0 (below cross-nation average) or 1 (above cross-nation average) for each of the countries under consideration :

1. Support for political organisations promoting social demands
Support for parties (in elections or as members)
Support for trade unions
2. Membership of voluntary organisations promoting social demands
Voluntary organisations promoting old social demands
Voluntary organisations promoting new social demands
3. Participation in non-institutionalised modes of political participation
Frequency of non-institutionalised participation
4. Emphasis on the expansion of social demands in the election programmes of political parties
Emphasis on old social demands
Emphasis on new social demands.

To reach the final country-grouping we simply total the values obtained in each of the seven areas highlighted above. Scores vary between 0 (all seven indicators show below average values for the country) and 7 (all seven indicators show above average values for the country).

Results are presented below :

Group 1 (score 7)

Sweden, Norway, Denmark, Finland, Netherlands, Austria, Switzerland;

Group 2 (score 6)

Iceland, Luxembourg, United Kingdom, Ireland;

Group 3 (score 5)

Belgium, Greece, West Germany, "the former Yugoslav Republic of Macedonia", Slovakia;

Group 4 (score 4)

East Germany, Czech Republic;

Group 5 (score 3)

France, Italy;

Group 6 (score 2)

Portugal, Malta, Croatia, Slovenia, Estonia, Moldova, Ukraine, Russia, Georgia, Azerbaijan;

Group 7 (score 1)

Spain, Turkey, Albania, Armenia, Hungary, Latvia, Poland, Romania;

Group 8 (score 0)

Bulgaria, Lithuania.

Score values are interpreted as indicating the relative capacity of countries to promote social demands. Two different patterns emerge. The first one divides western European countries along a north-south axis. All Nordic countries can be found at the top (groups 1 and 2); all southern European countries rank below the median (groups 5, 6 and 7) with France and Italy doing a little better than Spain. The second pattern pits most western European states against most central and eastern European countries. Four central European countries can be found in groups 3 and 4: Slovakia, "the former Yugoslav Republic of Macedonia", Czech Republic, and East Germany. Bulgaria and Lithuania trail far behind (group 8) with the rest of the central and eastern European countries scoring 1 or 2.

Evidence for a potential “West-East” divide is generated by discriminant analysis. This type of analysis allows us to assess two characteristics: first, the degree to which the two groups of countries can be told apart by the indices mentioned above; second, the degree to which each single index contributes to predicting the difference. Table 10 shows the results:

Table 10: A systematic look at the “West-East” divide: the relative importance of the indicators for a “West-East” difference

Indicators	r ¹
1. Support of political organisations promoting social demands <i>Support of parties (in elections or as members)</i> <i>Support of trade unions</i>	0.37 0.09
2. Membership in voluntary organisations promoting social demands <i>Voluntary organisations promoting “old” social demands</i> <i>Voluntary organisations promoting “new” social demands</i>	0.55 0.48
3. Participation in non-institutionalised modes of political participation <i>Frequency of non-institutionalised participation</i>	0.71
4. Emphasis on the expansion of social demands in the election programmes of political parties <i>Emphasis on old social demands</i> <i>Emphasis on new social demands</i>	0.26 0.55

Characteristics of the discriminant analysis: Eigenvalue 1.47, canonical correlation 0.77, significance 0.000.

1. r = Pooled within group correlation between discriminating variables and the discriminant function.

Electoral politics, with voters supporting political parties of their choice and programmatic responsiveness of political parties to old social demands, is developing in central and eastern Europe. Thus, a key institution of representative democracy seems to be taking root. This is especially true in the use of trade unions as a channel. Mechanisms based on individual initiative and civil society, such as participation in non-institutionalised political participation or membership in voluntary organisations, are much more characteristic of western Europe than of central and eastern Europe. That these priorities are also related to specific political issues is shown by the degree of attention paid to new social demands. Neither support for voluntary

organisations promoting new social demands nor political parties emphasising new social demands is a characteristic of central and eastern European countries.

Thirty-four out of the forty countries were correctly classified as either western European or central and eastern European countries. Spain (0.97), Turkey (0.93), and Portugal (0.68) were predicted to belong to the central and eastern European country group; Slovakia (0.89) was predicted to belong to the western European country group and so were Estonia and Georgia – although both by a rather small probability (0.56; 0.44 respectively).

Our analysis has aimed at exploration and description of the Council of Europe's member states' capacity to channel social demands. It has to be followed-up by an analysis of consequences and causes of the differences encountered. We have hypothesised that a low capacity to detect and channel social demands would as a consequence affect support for democracy. This proposition seems not unfounded. Correlation of the above summary index with the proportion of "strong" democrats in the various countries amounts to $r = 0.65$ (for the definition of "strong" democrats, see Klingemann 1999). A country's ability to extract resources to satisfy social demands depends in a large measure on that country's wealth. Taking GDP per capita (purchasing parity power in US dollars 1994) as a proxy for "wealth," we find a correlation of 0.76. Thus, search for causes of the "West-East" differences between member states of the Council of Europe has promising starting points.

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APPENDIX 1

Surveys used in the analysis

These surveys are representative of the adult population (18 years and older) of the countries listed below. They have been conducted within the framework of the European Values Study (EVS) (Halman 2001 ; <http://evs.kub.nl>) and the World Values Study (WVS). The following list shows period of fieldwork, number of cases, and type of survey (EVS, WVS).

ID	Country	Period of fieldwork	Number of cases	Type of survey
11	Sweden	15.11.99-10.01.00	1 015	EVS2000
12	Norway	October 1996	1 127	WVS1995
13	Denmark	26.04.99-11.11.99	1 017	EVS2000
14	Finland	05.09.00-06.10.00	1 038	EVS2000
15	Iceland	03.06.99-30.12.99	967	EVS2000
51	United Kingdom	18.10.99-08.11.00	1 000	EVS2000
53	Ireland	01.10.99-01.02.00	1 012	EVS2000
21	Belgium	01.03.99-15.06.99	1 912	EVS2000
22	Netherlands	01.03.99-01.08.99	1 004	EVS2000
23	Luxembourg	19.07.99-27.10.00	1 211	EVS2000
41	“West Germany”	15.10.99-08.12.99	1 037	EVS2000
42	Austria	06.08.99-19.10.99	1 485	EVS2000
43	Switzerland	1996	1 212	WVS1995
31	France	23.03.99-10.04.99	1 615	EVS2000
32	Italy	29.03.99-05.05.99	2 000	EVS2000
33	Spain	16.03.99-16.04.99	1 200	EVS2000
35	Portugal	14.10.99-23.12.99	1 000	EVS2000
34	Greece	05.03.99-23.06.99	1 142	EVS2000
36	Malta	25.03.99-31.05.99	1 002	EVS2000

ID	Country	Period of fieldwork	Number of cases	Type of survey
74	Turkey	1996	3 401	WVS1995
44	"East Germany"	15.10.99-08.12.99	999	EVS2000
92	Poland	18.02.99-04.03.99	1 095	EVS2000
88	Lithuania	05.11.99-14.12.99	1 018	EVS2000
83	Estonia	13.10.99-22.10.99	1 005	EVS2000
87	Latvia	19.03.99-31.03.99	1 012	EVS2000
98	Ukraine	01.12.99-13.12.99	1 195	EVS2000
90	Moldova	December 1996	984	WVS1995
94	Russia	30.04.99-12.06.99	2 500	EVS2000
82	Czech Republic	21.03.99-05.05.99	1 908	EVS2000
96	Slovakia	15.06.99-15.07.99	1 331	EVS2000
86	Hungary	25.11.99-15.12.99	1 000	EVS2000
97	Slovenia	01.10.99-31.10.99	1 006	EVS2000
81	Croatia	31.03.99-30.04.99	1 003	EVS2000
93	Romania	05.07.99-28.07.99	1 138	EVS2000
80	Bulgaria	14.06.99-12.07.99	1 000	EVS2000
89	"the former Yugoslav Republic of Macedonia"	February 1998	995	WVS1995
75	Albania	December 1998	999	WVS1995
76	Armenia	February 1997	1 831	WVS1995
77	Azerbaijan	February 1997	1 944	WVS1995
85	Georgia	December 1996	1 903	WVS1995

Member states of the Council of Europe not covered in the analysis: Andorra, Cyprus, Liechtenstein, and San Marino. West and East Germany are treated as two separate countries.

APPENDIX 2

Data used in Table 5 indicate political parties' emphasis of old and new social themes. They are taken from the Comparative Manifestos Project. Quantitative content analysis has been used to generate the respective indicators. All political parties that are represented in the national parliament by at least two seats (and for which an election programme was available) are covered. Details of the methodology are described in Budge et al. (2001).

Code	Country	Election period	Number of elections	Number of parties	Number of cases
11	Sweden	1991-1998	3	8	22
12	Norway	1993-1997	2	7	14
13	Denmark	1990-1998	3	9	26
14	Finland	1991-1995	2	10	18
15	Iceland	1991-1995	2	6	11
21	Belgium	1991-1995	2	12	21
22	Netherlands	1994-1998	2	5	10
23	Luxembourg	1994	1	5	5
31	France	1993-1997	2	7	13
32	Italy	1992-1996	3	17	35
33	Spain	1993-1996	2	9	14
34	Greece	1990-1996	3	6	13
35	Portugal	1991-1995	2	5	9
41	"West Germany"	1990-1998	3	6	15
42	Austria	1990-1995	3	5	14
43	Switzerland	1991-1995	2	9	18
51	United Kingdom	1992-1997	2	3	6
53	Ireland	1992-1997	2	6	12

Code	Country	Election period	Number of elections	Number of parties	Number of cases
54	Malta	1996-1998	2	2	4
74	Turkey	1991-1995	2	6	10
44	"East Germany"	1990	1	14	14
75	Albania	1991-1997	4	11	29
76	Armenia	1995-1999	2	9	11
77	Azerbaijan	1995	1	4	4
80	Bulgaria	1990-1997	4	10	20
81	Croatia	1990-1995	3	17	25
82	Czech Republic	1990-1998	4	14	27
83	Estonia	1992-1999	3	15	21
84	Georgia	1992-1999	3	26	30
86	Hungary	1990-1998	3	9	20
87	Latvia	1993-1998	3	21	24
88	Lithuania	1992-1996	2	10	15
89	"the former Yugoslav Republic of Macedonia"	1990-1998	3	12	20
90	Moldova	1994	1	4	4
92	Poland	1991-1997	3	26	35
93	Romania	1990-1996	3	20	26
94	Russia	1993-1999	3	19	29
96	Slovakia	1990-1998	4	19	29
97	Slovenia	1990-1996	3	11	17
98	Ukraine	1994-1998	2	24	27

Member states of the Council of Europe not covered in this analysis: Andorra, Cyprus, Liechtenstein, and San Marino. West and East Germany are treated as two separate countries.

III – SESSION 2: ARE INSTITUTIONS ADAPTABLE, OR DO SOCIAL DEMANDS ALSO REQUIRE NEW INSTITUTIONS?

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***“Can institutions adapt to new social demands or should
new ones be created?”***

In his analysis of the characteristics of the present crisis in western European welfare states, Esping-Andersen (1999) argues that, in contrast to previous crises, which were totally internal to the welfare states themselves and were the result of inadequate or misguided functioning, the present crisis results from exogenous shocks occurring in the economy, in the age structure of the population and in changes to family structures.

One may well argue that this clear-cut distinction between endogenous and exogenous crises is a little exaggerated and that in the golden age of the welfare state there were also at least hidden tensions in the way assumptions concerning the “exogenous” sphere of the family and its gender and intergenerational relationships shaped (in very different ways) the various welfare regimes. Yet, it is true that today these old tensions, together with new ones, are exploding the very basis on which what Colin Crouch defines as the “post-war social contract” was developed in the western European countries.

At the same time these same phenomena shape the context in which the eastern and central European countries deal with the aftermath of the break down of their kind of “post-war social contract”: the collapse of the socialist regimes.

According to Colin Crouch (1999), the post-war social contract in western Europe included a balance between the following four features: a) an industrial, rather than agricultural, occupational and economic structure; b) a primarily capitalist framework; c) a sociologically liberal institutional structure in relation to traditional community institutions; d) the idea that

nearly every adult possessed certain rights of citizenship. The potential tensions between private loyalties and market requirements were managed by separating the sphere and rules belonging to family relationships and those belonging to the workplace. The gender division of labour within the family was a crucial means for effecting this separation, both symbolically and practically.

Welfare state arrangements were a second means by which tensions were tackled. These two “means” of conflict management – family arrangements and welfare state arrangements – criss-crossed and interacted. Families, including both households and kin networks, were the locus of income redistribution and the link to welfare state benefits for those who did not access them directly due to age or gender. At the same time the models of gender and intergenerational behaviour and patterns of solidarity and obligations that families embodied were central to welfare arrangements and contributed to the differentiation of welfare regimes.

Both the existence of a balance between the four factors and the existence of structured patterns of management of the tensions arising between and within them identified western European countries as having a common heritage and outlook. But the variation in the way the balance was struck and the specific patterns of tension-management produced diversity among them, while opening country-specific avenues for change.

The main phenomena which undermine the social foundations of the post-war social contract in western Europe can be summarised as follows:

- a) The increasing globalisation of the economy, which greatly restricts the discretionary power of each country in fiscal and monetary policies, while imposing a greater degree of flexibility in the labour market and in wages, which in turn produces a greater vulnerability for the unskilled. The young, and women of all ages, find it difficult even to enter the labour market. A number of middle-aged men find that their skills are obsolete and that the only alternative to unemployment is early retirement, which in turn is perceived as too high a cost to the public purse. An increasing number of people are facing the perspective of earning very low wages for many years, without being able to provide for security in old age (this phenomenon is already very visible in the United States of America). All this means that for an increasing number of households and men, the male breadwinner model – the crucial cornerstone of European welfare regimes (Lewis 1997) – is just not feasible.
- b) The ageing of the population puts pressure on the pension and health budget, and also on the caring resources traditionally expected from the

extended family. Apart from the imbalance in the budget between generations, particularly in the financing of the pension system, a consequence of lower fertility rates, together with the lengthening of life expectancy in old age, is that many elderly do not have in the kin network daughters and daughters-in-law available to take care of them; not only because more women are in the labour force, but because they are less numerous to begin with.

This imbalance is all the greater since the number of elderly is increasing not only in relative, but absolute terms, due to the lengthening of life expectancy. Longer average life has a great impact on intra-family and kin circumstances and expectations, as well as on the social expectations concerning family obligations, in particular gender and intergenerational expectations. "Dependency" typically refers to only a fraction of the period we call old age and affects only a small quota of the elderly at any one time. When it occurs, however, it is highly costly not only in terms of health care and services, but in terms of demands on relationships. Notwithstanding great inter- and intra-country differences, in all countries there is a shared expectation that children have an obligation to care for their needy elderly parents, even if they are not on good terms, and even if this obligation is enforced legally only in a few countries. The combination of longer life span, reduced fertility, and increased labour force participation by women throughout their adult life is producing an increased imbalance between demand for care and availability of care within the kin network. It is an only an apparent paradox that this imbalance is greater and growing precisely in those countries, such as the Mediterranean ones, in which the role of family solidarity in providing welfare is traditionally greater.

- c) Changes in women's behaviour and expectations, together with increasing marital instability weaken the role and ability of the family to care for its members and to offer a buffer against the risks of poverty (Saraceno 1997 and 2001). Children are particularly vulnerable in this context: their risk of experiencing poverty while growing up is in fact increasing. The reasons for this are the growing insecurity in the labour market which equally involves adult men, and marriage instability (and in some countries such as the United Kingdom and the United States of America the increase in illegitimate births), which weakens the ties with the male breadwinner.

Also from this perspective, the male breadwinner model as a pattern for the organisation of both the labour market and the welfare state appears increasingly inadequate. There are fewer breadwinning

positions available in the labour market and there are fewer households organised around a sole breadwinner model. Furthermore, although households need the equivalent to breadwinner wages and forms of protection, they may not be able to rely on a single (male) breadwinner for their security. The high risk of poverty incurred by lone mothers and their children in most advanced industrial countries (with the highly significant exception of the Scandinavian countries, with their high rate of women's employment and of dual breadwinner families) testifies to the shaky grounds of the male breadwinner model. Also dual parent but single-earner households with children, in recent years have become increasingly vulnerable to poverty in most OECD countries (Vleminckx and Smeeding 2001).

- d) At the same time women's increasing participation in the labour market, out of choice or necessity, reduces the pool of informal and free available care for children, the frail elderly, as well as for male workers, which, albeit to varying degrees, in all countries is still demanded from the family.

We might say that in the present crisis all the more-or-less imposed balances developed within the post-war social contract seem to have broken down and have left what may appear as a "negative" balance between the traditional three main actors of the post-war social contract and of the western European welfare regimes: the market; the state; and the family. Esping-Andersen in this perspective speaks of "failures" in all three of these areas. In more neutral terms we may read this phenomenon as the – still in progress – shaping of demands for new kinds of balances, where traditional actors restructure and re-position themselves and new actors emerge. Thus, not only the market, but also the state may no longer, if ever, be seen as a monolithic actor. This is further reinforced by trends towards the development of supra-national bodies and forms of regulations and towards processes of devolution and an increasing role for local governments in providing forms of regulation and in shaping the overall context for economic and social development.

Furthermore, the family may no longer be seen as a homogeneous entity, given the trend towards an increasing individualisation of its members across gender and generational lines. At the same time, the ageing of the population lengthens the inter-generational chain of living kin. And the role of social partners, which no doubt was also quite strong in the past, is increasingly acknowledged in a formalised way – be it the social dialogue, the requirement to create social partnerships included in the provision of international funds or in the provision of services in many countries.

At the same time, the range of institutionally acknowledged social partners is widening, including not only trade unions and employers' unions, but also NGOs, Churches, users' associations and so forth. For western European countries at least, the role of the European Union in this process of development and institutionalisation, both of the social dialogue and of an increasing range of social partners in a number of spheres and actions, is crucial, although, again, the nation-specific institutional contexts may be quite different.

These phenomena are clearly present, and even heightened, in eastern and central European countries, where they interact with the crumbling – not just the crisis – of the previous system of regulation and protection, thereby posing in a much more radical way the question of institutional change.

Although these phenomena are occurring to some degree in all European countries, they impact on quite diverse economic and institutional contexts, which in turn shape both the way changes and crises present themselves, the way they are experienced, and the patterns of institutional adaptation (or lack of adaptation). The direction of the changes and the capacity for adaptation will necessarily vary given that the cause of the present crisis, or, in more neutral terms, the demand for change, arises from a no longer adequate fit between the institutional framework and changes in the economy, demography and family behaviour, and given that existing institutional arrangements are quite different in all the most relevant spheres – the labour market, social security, the family and the third sector. From this point of view there is a degree of path dependency which must be taken into account in order to understand change and to develop policies. This means that even the much recommended principle of one country leaving from another and “best practice” transfer should not be approached simplistically.

Institutional, but also cultural, path dependency does not mean that institutions merely reproduce themselves, nor only that the various actors which have vested interests in the existing arrangements tend to oppose any change. Certainly existing arrangements develop their own constituencies: the pension system is an exemplary case from this point of view, in so far as it represents specific structured interests of given categories and cohorts. Also family arrangements have their interest groups and so forth. Yet, one of the features of complex societies is that interests in one institutional sphere may be very different from interests in another. Thus, if it is true that as future pensioners, Italian or German middle-aged adults have strong vested interests in a relatively generous pension

system which *de facto* drains resources from the younger generation, as parents (and sometime grandparents) they have a conflicting interest in the welfare of their children. Thus, they might defend their “privileges” not only for themselves, but as a resource to redistribute to the younger generation within the family. Of course, this attitude may be found more explicitly in those countries, for example in southern European and to a lesser degree the countries situated at the heart of Europe, where expectations concerning inter-generational solidarity within kin networks are higher and where resources for children are dependent more heavily on family resources, even well beyond childhood.

From this point of view, path dependency is better understood in the light of the fact that institutional arrangements embody not only specific solutions in a given sphere, but specific balances among the different spheres, specific ways in which options and resources are packaged and constrained: policies usually make up part of packages; that is they do not stand alone. Thus needs or proposals to change policies face not only resistance by all the actors involved, they also have to address the issue of the overall balance of the policy package in which that particular policy operates.

Furthermore, these packages also embody, and contribute to the shaping of culturally specific patterns of understanding needs, merits, proper behaviour, etc., although they may not be shared by all in a given country, and may be a contested area. Thus they are open to change if the set of actors, or their power balance, is modified (changes in gender relations due to changes in the structure of opportunity for women, for example). Yet they pre-structure, both at the institutional and at the discussion level, the available patterns of adaptation and change as well as negotiation among the different actors.

In this perspective, the most relevant institutions are not those in the economic sphere, but those of the welfare state and of the family – more specifically its gender and intergenerational arrangements. These, in fact, are the most representative of the differences in capitalist welfare regimes, in the way in which they have offered a buffer against risks in the labour market and over the life course. Furthermore, welfare state institutions and arrangements embody specific and often quite explicit expectations concerning gender and inter generational arrangements (Saraceno 2001). This is also partly true of the labour market, of course, in so far as, for instance, it ignores workers’ care concerns. Yet it is the specific arrangements – incentives and disincentives – built into the

systems of social protection with regard to gender and intergenerational arrangements, and the way families and individuals organise around them, which also have far reaching consequences for behaviour in the labour market and the ways individuals and families interact with, and adapt to, present labour market and economic resources and constraints.

Over the last decades, the Scandinavian countries have increasingly moved towards an individualisation of social rights and a subsequent reduction of family dependencies and interdependencies (which one can call “de-familialisation”). This is done through the generous provision of services, through the acknowledgement of individuals’ – including young children’s and young people’s – entitlements and through support for women’s participation in paid work. This has resulted both in a better protection from poverty for households and individuals, and a greater acceptance of flexibility in the labour market. Indeed the Scandinavian labour market is very dynamic compared with most European ones but this does not result in high levels of insecurity and poverty (nor in high levels of long-term unemployment). The reverse of the coin is that the welfare state is very costly and there are interesting trends towards both a re-familialisation of some tasks, through forms of payment for care (for example options to choose between childcare provision and extended paid leave), which in turn promote the development of less institutionalised, and less costly, (but also possibly less qualified) caring services. New forms of solidarity within families may also be detected in the very recent decision, in Sweden, to take into account the household income and not the individual income when means-testing young people over 18 still living at home.

The United Kingdom and Ireland have increasingly relied rather on the market, minimising both family solidarity (or rather not prescribing or assuming it) and welfare state intervention. In these countries, moreover, welfare state intervention has been re-focused within a “welfare-to-work” approach. This is also occurring in the case of lone mothers on welfare support who in the past had been exempt from the requirement to be available for work for much longer periods than in any other country. This has helped the dynamism of the labour market, but has granted only very minimal protection from its insecurities. Yet, in recent years, the welfare-to-work approach has increased the role of the state : if not in directly providing services, then in creating financial incentives to organise them and/or to pay for them.

Thus it is not fair to say that the role of the state has simply shrunk. It might even appear to be the contrary, although there has been a re-orientation of the criteria and targets of social expenditure. At the same time, the

shrinking availability of informal unpaid care in the face of an increasing number of frail elderly and handicapped people has further strengthened the role of the market and third sector in the “mixed economy of care”. It has also tended towards a re-familialisation of at least a part of caring work through forms of payments for care (Daly 1998; Land and Lewis 1998).

In the continental European welfare states the male breadwinner model still plays a privileged role, although a generous social protection is first and foremost addressed to core, mostly male, workers on the assumption that the system of (nuclear) family dependencies and interdependencies will take care of the young and of the majority of women. The French case is partly distinct, since its policies relating to the family are much more neutral in terms of gender behaviour than the social security and fiscal ones. And the provision of childcare services is quite generous. In all continental European welfare regimes, a relatively generous, albeit stigmatising, social assistance system takes care of those who fall through the net, on the basis that this will concern only the very marginal. Yet, in these countries there has been a rapid increase of long-term unemployment since the early 1990s and increasing difficulty for the young to enter the labour market at all.

Furthermore, these countries seem to acknowledge individual social rights to a quite different degree on the basis of age: while caring services for pre-school children are scarce (with the exception of France), the same is not true for the elderly. The idea of a collective responsibility for the needs of the latter is widely shared, as is testified by the introduction of an *ad hoc* compulsory insurance. In France, young adults under 24 are not entitled to the *revenu minimum d’insertion* (RMI), unless they are parents.

Finally, although these countries generally have more generous family policies than the Anglo-Saxon and Scandinavian ones (in the case of the latter only in terms of income redistribution), they are increasingly less able to protect a significant percentage of children from poverty, particularly in view of increasing marital instability. At the same time, the high protection offered to core workers, also in the name of their breadwinning role, is deemed responsible for the high rigidity of the labour market, which renders the young and women increasingly outsiders.

This is even more apparent in the Mediterranean countries, where the expected family solidarity extends even beyond the household boundaries involving a wider level of kin. Although core workers here too are well protected, the fragmentation of labour market conditions also results in a fragmentation, and hierarchy, of systems of social protection.

This puts further pressure on family solidarity both for care and income and on the responsibility of the male breadwinner. The lack of childcare services, particularly for very young children, as well as for the frail elderly, makes it difficult for women with family responsibilities to participate in paid work. Indeed, women's working activity rate in the Mediterranean countries, with the exception of Portugal, is lower than the European Union average, although increasing and becoming mostly full-time.

In these Mediterranean countries increased labour force flexibility occurs mostly with regard to the young and women of all ages – the two groups of the population where there is a high concentration of so-called “atypical” labour contracts. This in turn makes it difficult for the younger generation to form their own household. Since these countries also have very weak family policies, households are vulnerable to poverty every time there is an imbalance between the number of dependants (primarily children) and the income of the sole earner. The paradoxical consequence of heavy pressure on families to take care of their members and of high protection reserved only for core workers coupled with meagre or non-existent (in the case of Italy and Greece and partly Portugal) income support for the long-term unemployed and the poor, is the rigid defence of the social policy status quo. Only families with high-earning breadwinners seem able to buffer their members from labour market and life cycle hazards.

This heightens social inequalities and threatens social reproduction itself. Fertility rates in these countries are the lowest in the European Union and among the lowest in the world; only some of the former socialist countries have reached, and sometime even surpassed such a low level, indicating that there, too, the control of fertility is an individual strategy employed to balance the considerable needs of the population. One may add, following Esping-Andersen, that over-familialisation of welfare is counterproductive not only for individual social rights, but also for the economy in so far as it reduces the demand for goods and services and therefore for labour.

In this context, the increasing but also diversified role of the third sector should be noted. The differentiation within the third sector has been increasing in recent years. This is partly because new actors have entered the arena of social provision, often catering for particular categories (for instance, third world immigrants, children, drug addicts, HIV carriers and Aids sufferers); partly because public institutions have called on them as

the best partners in providing personal social services and for dealing with poverty and social exclusion, particularly with regard to social insertion programmes.

These civil partners sometimes operate in formal collaboration with public structures, sometimes operating in relative autonomy, and sometimes in competition. Though not part of the public system, they are often formally integrated into it. Furthermore, they are being increasingly acknowledged as full partners in policy-making both at national and at European Union level. Indeed the European Union has given a strong boost to the institutionalisation of social partnerships, including not only trade and business unions, but also NGOs. This is taking place not only at the European Union level, but also at the national level, requiring that they be involved in the open co-ordination process. Yet this increasing role of third sector institutions and actors is developing among quite varied national and even local specific traditions, ranges and type of actors etc. This in turn makes for quite different kinds of welfare mixes and more generally of national and local patterns of governance.

It makes also for different patterns and understandings of social citizenship, at least from the point of view of beneficiaries. The greater attention to the relational dimension of support, together with the higher flexibility and diversification of provisions, which are usually associated with the action of third sector agencies compared with public ones, is often based on specific values which identify a given group or association. This is particularly, but by no means exclusively, the case for religious (as well as for ethnic) associations. These values and shared identity constitute a crucial motivational background for these associations and their social workers; they may also be an integrating resource for beneficiaries.

However, these values may also be perceived by the beneficiaries as being an additional burden: an obligation or price they have to pay in order to be supported. Further, particularly in areas where the public sector does not play an important role in defining criteria for entitlement and provision, the distinction between charity and citizenship rights may be further blurred by the intermediating role of specific value-laden agencies and actors. Finally, third sector agencies are not evenly spread across a country and across its needs. Thus, a strong reliance on them for the provision of services and more generally for catering to needs may result in an increasing intra-country geographical differentiation.

The example of the common, and at the same time highly diversified, development of a third sector and of its varied forms of competition and

collaboration with the public sector and with the market, indicates both that institutions do change and that new institutions may arise. Yet they neither change nor rise in an historical and cultural vacuum. And while the change may address emerging needs, it carries with it part of the history it comes from and it may also partly reproduce some of the very patterns which it intends to overcome.

However much trends in the Scandinavian countries may develop towards re-familialisation and towards a greater role for a private, less guaranteed, sector in the area of services, the role of the public sector and an emphasis on individual entitlement will remain strong, even if in modified forms. In the same way, it will be very difficult if not impossible to attack the existing balances in continental Europe and Mediterranean welfare regimes simply by weakening the protection of core workers without widening the protection granted to all individuals, and particularly to the young and to women with family responsibilities. Here the problem seems much more complex, in so far as all the different sectors and institutions should change in a coherent way in order not to worsen the present precarious balance between protection and vulnerability. Here the impulse for change might come not only from pressure by the younger generation, but also from the new demands of a re-organised family and the new behaviours and expectations of women addressed to the various public actors and businesses as employers and as providers of goods and services.

In promoting change, the role of discussion and communication should not be undervalued. The perception of needs, of crisis points, of equity and inequity, does not arise naturally or simply from experience; these perceptions are mediated by cultural understanding. Changes in public discourse may contribute to the change and shaping of these understandings alongside, and to some degree independent of, changes in the structure of opportunities. The broad popularity of the debate on “welfare-to-work” across different countries and welfare regimes (despite its controversial aspects), the similarly controversial and spectacular reversal in the United Kingdom of the image of the “good” lone mother, from being a caring stay-at-home parent to becoming the breadwinning parent, are two examples of how public debate may change perceptions and thus legitimise changes in policies. Nevertheless, the very different way these discourses are received, articulated and accepted in different countries keeps reminding us of the crucial role cultural and value dimensions play in path dependency. Even with this caveat, the responsibility of the various actors in public discourse – policy makers, scholars and researchers, opinion leaders of various kinds, NGOs, etc. – is apparent and plays a far from neutral role.

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IV – SESSION 3: WHAT IS THE ROLE OF THE PRIVATE SECTOR IN TERMS OF SOCIAL DEMANDS?

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“The role of the private sector in terms of social demands”

Introduction

This paper uses the subject of the private sector provision of essential services in order to explore the connection between social demands and the private sector.

The shifting boundary between the public and private sectors, as well as changes that are coming from rapid technological advance, combine to leave large areas of private enterprise exposed, at least potentially, to social demands. It is in these areas that our interest lies and our particular concern, which is the focus of this paper, is the tendency of certain private industries to discriminate between different groups of consumers.

We stress that the discrimination we are talking about here is not of a kind that is based on sex, race, or sexual orientation, all of which are illogical and counter-productive from an economic or business point of view. Rather, our concern is the discrimination that arises from variations in the profitability of different “classes” of customer. Although some of this is arguably a product of a certain sort of prejudice too, we believe that enough of it is has sufficient of a real basis for it to be treated as rational from the business point of view. The outcomes of such discrimination, however, may be no more acceptable from a social perspective than those that arise from other forms of prejudice; hence the potential for social demands that such discrimination should cease.

Given that there are real, economic pressures pushing companies in the direction of discriminating between different groups of customers, an alternative, and positive, way of describing our subject is the social responsibilities that companies should have towards consumers.

The paper is divided into three parts :

- First, a description and analysis of the problem, including a discussion of the fields of private sector activity in which the problem is chiefly to be found, namely private sector services.
- Second, a consideration of two contrasting views on the impact that social demands in this field need to have : is the required impact quite narrow or does it need to be broad ?
- Third, some suggestions about the principles to follow in establishing the respective roles of government and the private sector in relation to social demands in the fields in question.

The paper is based upon our studies of and observations on such problems as they have arisen in the United Kingdom over the last four years. During this period, the United Kingdom has had a government that, while committed to the pursuit of social justice, has also shown a keen sensitivity to business interests. This has created fertile conditions within which the question of the social responsibilities of companies arises time and again. We hope that this "third way" laboratory may yield material that can provide insight and interest to a wider audience.

The problem : discrimination among consumers on the grounds of profitability

The problem we are concerned with is the tendency of certain industries to discriminate between different groups of consumers. Addressing this discrimination, which is very much to the disadvantage of some consumers, can be seen as an aspect of Corporate Social Responsibility (CSR).⁸ It is, however, a very neglected aspect. For example, there is only one passage in the European Commission's recent paper on corporate social responsibility that refers to this problem, and even here, only in part :

*As part of their social responsibility companies are expected to provide products and services that consumers need and want in an efficient, ethical and environmentally aware manner... Applying the principle of design for all (making products and services usable by as many people as possible including disabled consumers) is an important example of corporate social responsibility.*⁹

8. In focusing on the social responsibilities that companies have to consumers, we do of course acknowledge that they have social responsibilities towards others too, for example, their employees.

9. Commission of The European Communities, *Promoting A European Framework For Corporate Social Responsibility*, 2001 : paragraph 51.

The design of products and services (for disabled consumers and others) is certainly one dimension of the problem, but there are others too, including price, access and even, what is in effect, a *refusal to* supply some consumers at all. Four examples from the United Kingdom illustrate the problem we are talking about:

- Design: A significant proportion of people (around 1 in 6 of all adults) – largely on low incomes – continue to rely solely on cash because they do not feel that the current design and accessibility of bank accounts is suitable for them.
- Price: Over 5 million households, of whom about half are on low incomes, now pay around 20% more for their gas and electricity because they feel that they need to use pre-payment meters to give them control over their finances.
- Access: The development of out-of-town shopping centres has made low cost food inaccessible for some people without cars, in isolated areas, or in areas poorly served by public transport.
- Non-supply: “Red-lining” by insurance companies has made house insurance either impossible or impossibly expensive for people in high crime areas, which are often also deprived areas.

These examples come from four different industries, namely banking, insurance, large-scale food retailing and energy supply to the home. They are, however, by no means the only industries where some form of discrimination between different groups of consumers can arise. In our view, there are two groups of industries where the possibility of this problem is present:

- Basic services, including the utilities (water, gas and electricity), as well as food shops.
- Enabling or infrastructure services which open up access to a range of other goods and services. They include postal services, telephone, basic financial services, television, transport, and – increasingly – the Internet (both e-mail and the World Wide Web).

These industries share a number of features. First, they are all services. Second, most of them involve supply to a specific location, usually the home but sometimes (for example food shops) to a specific locality. Third, they are essential services.¹⁰ Clearly, what constitutes an essential service is

10. It should be emphasised that the list of industries given here is our assessment of what is essential. While some certainly are held to be so by society at large (e.g. the supply of water), others may not be considered essential by some people.

actually a matter for society to determine. For example, although the great majority of homes in the United Kingdom have access to gas supplies for cooking and heating, there are parts of the country where this is not so. Whether this should be remedied or not – whether, in other words, gas should be deemed an essential service to which all should have a right, is a matter that is reviewed from time to time. By contrast, everybody in the United Kingdom has a right to a postal service and, moreover, without any difference in price between inner city and remote rural areas. Fourth, the relationship between the supplier and the consumer is a continuing one. This is probably in the very nature of a service but it is crucial because it is the thing that exposes the company to both risks and opportunities associated with particular individual or household consumers. In other words, customers with different individual or household characteristics are unequal in terms of their potential profitability to suppliers of services.¹¹

Such differences in potential profitability have always been there, but what makes them so much more significant nowadays is the capacity of companies to pursue customer segmentation, that is, the profiling of individuals and neighbourhoods in terms of their likely profitability. Fuelled by information technology, companies are now able to do this with greater precision and greater sophistication than even a few years ago. For those customers who attract the interest of companies, this is good news; for people with low purchasing power or customers assessed as high risk in other ways, these trends can result in services becoming less affordable and less accessible.

In its turn, this greater capacity to pursue customer segmentation exists in an environment where a whole series of forces are rapidly extending its likely impact. These include:

- Privatisation, for example of utility companies that were previously owned nationally, regionally or locally. By definition, privatisation expands the sphere of operations of the private sector. Perhaps more importantly, it alters priorities (the pursuit of profit becomes paramount) and opens the door to changes in corporate culture and attitudes.

11. It is also the reason why we believe that this particular aspect of corporate social responsibility does not impinge upon manufacturers of consumer goods (although acknowledging the point about design for e.g. disabled consumers). While such companies will certainly depend upon a knowledge of their customer base, they are basically indifferent to the characteristics of the buyer. This is because they all pay the same price for the same product and, so long as the product works properly, the relationship between buyer and seller is terminated once the purchase is completed.

- The introduction of competition in supply, that is to individual consumers or households, replacing previously regional or even national monopolies, is, perhaps above all else, the change that ushers in the pursuit of the profitable customer.¹²
- The pursuit of the more profitable customer is likely to be accompanied by a change in tariffs, that is the structure of prices. Where tariffs, for example for water, were once paid as part of local taxes but are now becoming usage related, such changes will tend to benefit richer, smaller households and harm poorer, larger ones. Companies, especially new entrants, may devote their product design and marketing efforts to the more profitable customer. At best, other customers get left behind.
- The drive for efficiency, whether to exploit economies of scale (larger but fewer food stores) and capture market share or simply to reduce costs and overheads, leads to cutbacks in established networks where costs are higher, for example in rural areas, shifting transport costs from the company to individual customers.
- Finally, as technology advances, what were once luxuries become essentials. The telephone has become an essential in quite a short space of time and the Internet is on the way to becoming so, especially as core public services become electronically delivered. Basic financial services, which have always been in the private sector, are increasingly considered essential.

The conclusion from this analysis is that the likely domain for such social demands extends far beyond the traditional notion of welfare. As the role of the private sector spreads and as technology advances, bringing profound changes in the way society organises itself, parts of the private sector are now essential to the well-being and proper working of society as a whole. The inevitable “price”, though, is that the private sector finds itself facing social demands that would have been unthinkable a generation ago.

Social demands: special measures for the deserving few or social justice for all ?

That the current arrangements in a number of private sector industries can leave certain groups of consumers at a disadvantage is something that is recognised by companies, consumer “watchdogs” and government.

12. It should be noted that the extent to which a company can extract profit from a particular consumer is limited by the likelihood of their moving to a competitor.

There is, however, a tendency – a strong tendency, moreover – to see the problem in terms of “vulnerable groups” whose problems should be addressed by “special measures”. The following quotation from an official document, admittedly dating from what were still the early days of the Blair government, is an exquisite expression of this point of view:¹³

*Certain households, particularly those with low incomes, will find water bills a particular burden. The government believes that a range of payment options and other rights should be available to ease the difficulties faced by such households, including ... the development by all companies of charitable trusts, to channel a small fraction of turnover to help genuine hard cases. ... Large families and people with special medical needs ... should be given a new right to opt for a charge based on average household use. This will protect vulnerable customers from high bills because of an unavoidably high use of water ... If those responding to consultation can identify other groups of customers who deserve such assistance, we should be happy to consider representations in favour of extending this concession.*¹⁴

With its reference to “charitable trusts” (who are to be endowed, thankfully, with just a “small fraction of turnover”), “genuine hard cases”, “special medical needs” and “vulnerable customers”, coupled with the idea that the whole thing is to be thought of as a “concession”, this is a perfect example of the nineteenth century view that the proper business of social demands is confined to the “deserving poor”.

This is the crux of the argument. If we conclude that social demands can indeed be limited to groups of “vulnerable customers” and the special problems they face then, apart from the task of identifying those groups, the impact of any demands on companies and government will be no more than slight. In particular, they will not impact on the company’s main business; rather they will almost certainly be handled quietly and sensitively by a small department set up specially to deal with the problem.

In our view, however, such a nineteenth century conceptualisation of the problem is wholly inadequate, and for two reasons. First, it takes no account of the extent to which the behaviour of the companies themselves is itself a cause of the problem. We have already outlined the way we believe this works.

13. Since it is the language we are interested in here, rather than the specific proposals, we have taken the liberty of cutting about a third of the material out in the interests of brevity.

14. Department of the Environment, Transport and the Regions, *Water Charging in England and Wales – A New Approach*, Consultation Paper, paragraph 2.14 and 2.15, London, April 1998.

Second, it is insufficient in relation to the scale of the problem. As the United Kingdom examples in the following Table 11, the number of households affected by the problems we have identified is usually in the millions. Table 11 also includes an important, general benchmark, namely the number of households with income below the “poverty” line. At a little less than one quarter of households, this figure stands at some 6 million.

Table 11: “Vulnerable” households in the United Kingdom

Type of household	No. (million)	% of the poorest 1/5th affected ¹
Pensioner households without a telephone ²	0.25	6%
Households without any kind of bank account	0.25	17%
Households lacking insurance	0.25	55%
Households using pre-payment meters for energy	0.25	Not known
Households below the ‘poverty’ line	0.25	100%

1. While some households without bank accounts or without insurance can be found at all income levels, we regard it as highly significant whenever a marked differential is to be found between the poorest households and average households.

2. This is an interesting instance of a private sector “essential” service where the incidence of the problem has been falling rapidly over recent years.

While every case has to be treated on its merits, the fact that we are talking about social demands being put forward on behalf of millions of households demonstrates that the issue is more about general measures that could in principle benefit everyone rather than special measures for a deserving few. We suggest that these general measures need to take the form of products or services which meet three key criteria :

- Suitability: while open to all, the product or service has to be designed to meet the particular needs of low-income consumers (for example, a bank account that cannot go ‘into the red’).
- Cost: low-income consumers should not pay more than others, and in some cases they should pay less when charges are “tax-like”.
- Access: genuinely universal access across all parts of society, to be measured by take-up rates by income, by social class, by ethnicity, etc.

Do such products or services exist? Indeed they do, with the humble postage stamp and the right it buys to have a letter delivered anywhere in the European Union, being the simplest but by no means the only example

of what can be called a Universal Service Obligation (USO).¹⁵ Some USOs relate to the price of the service: as well as the postage stamp, anyone has the right to have their home connected to the telephone network in the United Kingdom at a fixed price (subject to an upper limit on the actual cost of installation). Other USOs, applying to some of the utilities, confer a right to be supplied, but not at a guaranteed or uniform price.

It has to be said that the prevailing view in the United Kingdom of the scope of social demands as they affect consumers is still that they can be restricted to small groups of vulnerable customers. In arguing against this approach, we are not opposed to the idea that this is sometimes the right thing to do; we are, however, opposed to the idea that it is always, or even usually, sufficient. Although every case needs to be looked at on its merits, our starting assumption is that social demands to benefit millions of households can be met only on the basis of designing goods and services that are in principle open to all: in other words, universal rights rather than special measures.

Social demands: roles and responsibilities for government and private sector

In this final section, we outline what we see as the key factors that should determine the respective roles and responsibilities of government and private sector as they seek to address social demands raised on behalf of consumers. We begin by setting out what we see as a number of observations that need to be taken into account if real progress is to be made on this topic.

- First, while the notion of partnership is helpful to the extent that it emphasises that no single partner can “go it alone”, different partners will have different interests which they will, and indeed are obliged to, pursue. For example, business will seek to maximise its advantage in any partnership, even while it remains fully committed to the partnership’s objectives. Any discussion about government working in partnership with business to address social demands has to be clear about where the power within the partnership ultimately lies.
- Second, business has expertise and knowledge that government simply does not have. In particular, business, rather than government, is the

15. As well as the introduction of the first postage stamp, the 1840s also saw the introduction of third class railway travel – any journey for one penny – which opened up travel by rail to the working class.

partner with the skills to understand the needs of consumers and to design solutions that can meet those needs. Government's strategic challenge in any partnership is to engage business fully, such that it commits time and resources, including especially creative resources, to the problem.

- Third, by the very nature of the challenge we have identified (namely that problem cannot usually be met by a special, niche solution), business needs to be engaged and committed at the highest level. Without leadership from the very top, little will be accomplished, certainly as far as the mainstream of the company's activities is concerned.
- Fourth, while business is bound to view any imposition unfavourably, it prefers certainty to uncertainty. Uncertainty, provoked by powers of governmental intervention based on vague but wide-ranging conditions, is most unwelcome. Perhaps above all else, business will also prefer industry-wide, rather than company-specific, obligations since that is likely to do least harm to their competitive position.

These four considerations lead us to conclude that if the social demand is of sufficient significance, then an attractive way for government to proceed is to ensure that a suitable USO is either written into legislation or, which is more likely in the case of utilities, into the licence conditions that ultimately grant them the right to conduct business at all. When decisions on location require planning consent from the local or national authorities, this provides yet another opportunity for government at the appropriate level to exercise leverage.

In our view, a more legalistic approach is to be preferred not because it is "anti-business" but precisely because it is "pro-business". Of course USOs are an imposition that companies would prefer to avoid. But given that there are social demands which providers of essential services must bear, the question is what is the best form for those burdens to take. USOs will generally be few. The negotiations surrounding their design will take place in advance. Within those negotiations, companies will be in a strong position because government, which wants the thing to succeed, will have to defer to the insight and knowledge that companies have about what works.

We also do not underestimate the practical difficulties facing such an approach. Achieving solutions that fall equitably across the industry is likely to be a huge challenge. So too is the fact that different social demands may

either conflict or at least need to be ranked. One major reform introduced by the United Kingdom government since 1997 – the stakeholder pension – is a variant of the USO approach and its success is threatened by unfavourable external conditions.¹⁶

What of voluntary efforts by companies to address social demands, not just on a small scale – which some may very well do – but also on a large scale? The experience in the United Kingdom over the last four years is that business, and especially big business, does not want to be out of step with the times or with government's message and priorities. For example, businesses in the United Kingdom have generally been receptive to engaging with the government's "New Deal" for unemployed 18-24 year olds. Yet to achieve any long-lasting change in company policy, voluntary adherence has to bring benefits to the dominant, institutional shareholders. In other words, there has to be an effect on the company's "bottom line".

It is at this point that imagination is called for: government – and indeed others – have to find ways of altering the environment within which companies make their decisions so that those decisions strongly support the achievement of various social demands. One way of doing this might be a statutory requirement for companies to publish information in their annual reports on aspects of their behaviour that have obvious social impacts, from charging policies and product development to employment practices. As yet, the effectiveness of company disclosure of social impacts in changing behaviours is largely untested, although it is certainly regarded by some as a key to change.¹⁷

Another way of influencing the bottom line is through the impact on a company's public relations (PR). Our research has suggested that only national, high profile branded schemes give companies the sort of good PR return that has an impact on the bottom line. But winning good PR is not the only way to play this for, as the likes of Greenpeace have demonstrated, companies can be induced to take action so as to avoid bad PR.

16. The "stakeholder pension" is a private pension with a charging structure and conditions designed (and ultimately imposed by government) for low-earning individuals. Although it too early to be sure, the concern is that this initiative to increase pension provision among this group is threatened by the fact that they just do not save enough – not that they do not save enough for pensions. Shortage of income, rather than a lack of suitable pension "vehicle" may therefore be the real barrier.

17. Supporters of this approach tend to look favourably at the US experience, for example the Community Reinvestment Act which places disclosure requirements on banks.

It is arguable, indeed, that companies' single-minded pursuit of profit actually leaves them far more vulnerable to external manipulation, whether by government or others, than if they had a slightly broader set of objectives.¹⁸

Given our support for conditions imposed via legislation, licences and planning consents and our acknowledgement of the importance that others attach to disclosure, what is left of corporate social responsibility in the sense of something that companies do themselves? In our view, this remains profoundly important.

Attitudes and corporate cultures do matter and do change; they also vary markedly (in our experience) between companies. We have already argued that strong engagement by companies is vital to the success of any partnership, even and perhaps especially those where government retains the whip-hand. That will not happen without there being a strong sense of corporate social responsibility within the company.

More than that, however, it also matters because, in practice, only a small proportion of problems that might occasion social demands are ever likely to be the subject of high-level attention by government or indeed others. The way that consumers, and employees, are treated; whether every alleged economic inefficiency is pursued ruthlessly; which factors other than the company's "bottom line" are actually taken into account – these will all almost always be dealt with internally within the company. The only way to influence that is through ensuring that the notion of corporate social responsibility – and the right notion, moreover, namely one that sees its impact on the mainstream of the business – is taken very seriously by all major companies, above all else at the very top.

18. One other approach which is beyond the scope of this paper (although not beyond the scope of the conference) is the "gateway institution". This is an intermediary organisation which operates on behalf of its members to help them obtain services from providers of financial and other services. Examples include trade unions (e.g. with respect to pension provision for their members) and housing associations (e.g. with respect to household insurance for their tenants). At its most limited, a gateway organisation liaises with providers and consolidates large numbers of small accounts in a way that reduces administrative costs and maximises benefits. It might also take on a proactive role, advising its members of the need for pension provision, insurance, etc. Operating in this manner, gateways can reduce costs to their members, reduce discrimination by providers, and help to ensure adequate provision for more vulnerable groups in society. By their very nature, gateways as mere intermediaries cannot be the whole solution. But working with a gateway might be a way for a service provider to discharge its obligations in respect of low-income or other disadvantaged groups.

V – SESSION 4: SOCIAL PARTNERSHIP AND RESPONSE TO NEW SOCIAL DEMANDS

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“Social partnership and response to new social demands in Ireland”

This paper considers three questions :

1. Is a partnership between the public sector, the private sector and civil society an answer to better governance and a response to new social demands ?
2. Is a better-developed partnership between different levels and sectors in the public sector an answer to better governance and a response to new social demands ?
3. What role should the local level play ?

I use the Irish Republic experience as a case study to address some of the key dimensions of partnership as they relate to the identification of, and response to, social demands. Rather than identifying specific “new social demands” my focus is on partnership as a response to key socio-economic issues that have confronted Irish society over the past decade and the response of partnership systems to challenges arising because of the changing economic and social context.

Partnership between the public sector, the private sector and civil society: an answer to better governance and a response to new social demands ?

Much of the success of the Irish economy over the past decade is attributed to the social partnership approach adopted in 1987 and the consensus on economic objectives and management associated with this approach. When we speak of partnership in the Irish context we are referring to a

wide range of arrangements both national and local involving participation by the social partners, that is the trade unions, employers, farmers and recently the Community and Voluntary Sector (CVS), in consultative processes with government at the national and local level. At the national level the key institution is the National Economic and Social Council (NESC), which was established in 1973, and is representative of employers, trade unions, farmers, senior civil servants and since 1998 the community and voluntary sector (Figure 1). It has five members from each of these groups and five independent members and is chaired by the Secretary General to the Department of the Taoiseach (Prime Minister).

Figure: NESC membership

	Up to 1997	1998 onwards
Social partners		
Trade unions	6	5
Employer and business organisations	6	5
Farming organisations	6	5
Community and voluntary sector	-	5
Government nominees		
Chairperson	1	1
Deputy Chairperson	-	1
Secretaries-General of key departments	6	4
Representative of local government	-	1
Independents, including academics	9	5 ¹

1. includes 1 representative from Northern Ireland, 1 representative of small business, 3 academics.

The role of the NESC is to advise the Irish Government on economic and social policy issues. Since 1986 the NESC has been crucial in the development of a shared understanding of key economic mechanisms and relationships. It has published five strategy reports on key economic and social policy issues (NESC, 1986, 1990, 1993, 1996, 1999). These reports, which take a three-year time frame, have identified interrelated policy measures appropriate to the Irish situation and have provided the framework for

negotiation of the national agreements on pay and the broad parameters of key policies between government and social partners since 1987 (Figure 2). These agreements also take a three-year time frame.

Figure 2: NESC strategy documents and national agreements

NESC strategy documents	National agreements
1986: <i>A Strategy for Development</i>	1987-1990: Programme for National Recovery (PNR)
1990: <i>A Strategy for the Nineties</i>	1991-1993: Programme for Economic and Social Progress (PESP)
1993: <i>A Strategy for Competitiveness, Growth and Employment</i>	1994-1996: Programme for Competitiveness and Work (PCW)
1996: <i>Strategy into the 21st Century</i>	1997-1999: Partnership 2000 for Inclusion, Employment and Competitiveness 1997-1999
1999: <i>Opportunities Challenges and Capacities for choice</i>	2000-2002: Programme for Prosperity and Fairness (PPF)

The social partnership arrangements that have been developed in Ireland since 1986-1987 were initially a response to economic adversity – a high debt-GDP ratio, high unemployment, high emigration and low employment growth. Social partnership made a positive contribution to the resolution of these difficulties by facilitating the development of a consensus on key economic and monetary policy objectives. The resumption of centralised bargaining allowed this consensus to be reflected in the policy framework.¹⁹ The success of this strategy is evidenced by the remarkable transformation of the Irish economy since the early 1990s (NESC 1999). This is reflected in the increase in GDP per capita in purchasing power standards for all the European Union countries, from 65 % in 1986 to 114 % in 2000 (*European Economy*, No. 70, 2000: Table 9).

19. Tripartite centralised bargaining was resumed in Ireland in 1987 after a period of decentralised bargaining since 1981. The 1979 to 1987 period was one of very poor economic performance on almost all counts: it was characterised by slow growth, rapidly deteriorating public finances, stagnation of per capita disposable income, huge balance of payments deficits and bad industrial relations. The government debt to GNP ratio had risen from 85.7 % in 1979 to 125 % in 1987. Unemployment in the 1979 to 1987 period in Ireland averaged 13 % of the labour force compared to 9.2 % for the twelve European Community countries (NESC 1996). In addition, net emigration resumed in the 1979-1981 period after a decade of slight population growth. The situation deteriorated in the 1981-1986 period when emigration was 4.1 per thousand of the population (Courtney 1995).

Continued participation in the national agreements has been insured because of the benefits to participants, particularly employers and trade unions. Social partnership has helped to deliver industrial peace and moderate pay settlements in Ireland. These have improved competitiveness and, in conjunction with favourable external economic developments, played a crucial role in converting strong economic growth into the remarkable job gains achieved in recent years. In turn, higher levels of employment have contributed to sharply falling unemployment and to higher levels of social inclusion. It is now recognised that the strategy of linking modest pay increases with tax reductions is at an end. Future agreements are likely to have a stronger recognition of sectoral differences in productivity and ability to pay. Yet it is important to bear in mind that the key benefit of the partnership arrangements has been the forging of consensus on key economic and social challenges. The social partners do not start with a consensus on policy analysis and objectives; they develop a shared understanding of key challenges through the process. Social partnership has been sustained in Ireland because of its ability to adapt and respond to key challenges. Consequently, it is likely to coexist with varying arrangements relating to pay.

The core of social partnership bargaining in all countries encompasses pay, taxation and social security and in some instances social services. In other words it addresses the traditional social demands of the traditional social partners (employers and trade unions). The evolution of partnership in Ireland reflects continuous adaptation to change and provides an example of the broadening of social partnership both in participation and in the scope of the issues addressed. The broadening of the focus can be seen as a three-stage process with each of the subsequent stages building on the former:

- Stage I: the forging of consensus on economic and social objectives;
- Stage II: recognition of the links between social inclusion, employment and competitiveness;
- Stage III: broadening the focus to a recognition of the importance of economic, social and environmental sustainability.

Stage I: *the forging of consensus on economic and social objectives*: The first three multiyear national agreements, covering the period 1987 to 1995, were negotiated by government and the traditional social partners (trade unions, employer and farmer representatives). These agreements reflected recognition that the continued growth and development of the

Irish economy were dependent on the achievement and maintenance of competitiveness, on agreement on the public finances and their management in accordance with the Maastricht criteria and the European Union stability and growth pact.

Stage II: *recognition of the links between social inclusion, employment and competitiveness*: Increasingly, it was recognised that the achievement of these objectives and the continued effectiveness of social partnership were dependent on the maintenance of social cohesion which is in turn dependent on a commitment to social solidarity and inclusion. This recognition was reflected not only in a broadening of the scope of the fourth agreement – *Partnership 2000 for Inclusion Employment and Competitiveness*, covering the 1997-1999 period – but also in a broadening of the sectors involved in the negotiations. In addition to the traditional social partners, representatives of the community and voluntary sector were involved in the negotiation. This inclusion is part of a broader pattern of inclusion reflected at the national level in the National Economic and Social Forum which was established in 1993 and included not only the three traditional social partners – trade unions, employer and farmer organisations – but the community and voluntary sector and representatives of the main political parties represented in the Oireachtas (Irish Parliament). The forum has a specific focus on:

- job creation and obstacles to employment growth;
- long-term unemployment;
- disadvantage;
- equality and social justice in Irish society; and
- policies and proposals in relation to these issues.

The membership of the National Economic and Social Council was also broadened in 1998 to include the community and voluntary sector.

Stage III: *broadening the focus to a recognition of the importance of economic, social and environmental sustainability*: The most recent agreement, *Partnership for Prosperity and Fairness*, covering the period 2000-2002, reflects a further stage in the focus of partnership concern, that is a recognition of the importance of economic, social and environmental sustainability. The latest strategy report by the National Economic and Social Council, *Opportunities, Challenges and Capacities for Choice*, which provided the framework for the negotiation of that agreement,

identifies a vision of a successful society characterised by a dynamic economy and a participatory society incorporating a commitment to social justice based on economic development that is socially and environmentally sustainable and characterised by:

- economic inclusion based on full employment;
- social inclusion, reflecting full participation in those activities which constitute the norm in society; and
- successful and continuing adaptation to change as the dynamic expression of competitiveness (NESC 1999).

To realise this vision in the changing context for policy development the social partners recognised that a changed focus is now required to adapt the successful economic framework to reflect Ireland's altered circumstances and to provide the underpinning required to deliver the vision in an economically, socially and environmentally sustainable way. The key challenges include:

- increasing economic integration, globally, at the European Union level and in the island of Ireland;
- a society characterised by continuous technological change, an increasing knowledge-based labour market and a growing recognition of internal bottlenecks such as skill shortages, inadequate infrastructure and social deficits, that threaten the sustainability of success;
- a society reflecting significant socio-cultural and attitudinal changes which have implications for policy options and choices (NESC 1999).

The broad direction of the changed focus to meet these challenges is reflected in the commitment to give greater priority to the issues affecting people's well-being and quality of life, including very significant infrastructure investment combined with spatial planning, a commitment to lifelong learning and measures to achieve a better balance between work and family responsibilities through equality policies, childcare, parental leave and family-friendly employment policies. Full participation in society, which is the core of social inclusion, is possible only with access to the taken-for-granted citizenship rights and the fulfilment of the associated obligations that characterise full membership of society.

The social partners also recognised that in a situation of increased economic and monetary integration, economic success, rapid technological

development and a significantly changing demographic profile the context is a rapidly evolving one. While the key demographic and educational changes in the future can be identified, how these are likely to interact with other less obvious developments, domestic and external, are not predictable. This necessitates a consistently open and responsive attitude to change, incorporating continuing evaluation of policies and programmes and a willingness to act on the conclusions of such evaluation. This is dependent on high quality and timely data availability. This recognition is reflected in the mandate to the National Economic and Social Council to develop a framework for national progress indicators to measure economic, social and environmental development and to benchmark progress on key elements of the operational frameworks of the national agreement.²⁰

In summary, social partnership in Ireland has evolved from dialogue amongst the traditional social partners and between these partners and government to a broader framework that incorporates the community and voluntary sector not only at the national level but extensively at the local level. The content of the agreements has also evolved from a concern with pressing economic and monetary issues to addressing the challenges of changing economic and social demands in a sustainable way.

Partnership between different levels and sectors in the public sector: an answer to better governance and a response to new social demands?

Over the past decade concerns have been expressed in Ireland, as elsewhere, about the ability of the policy process both to anticipate needs in a rapidly changing context and to implement policy decisions effectively. In particular, the integration and co-ordination of planning and service provision is seen as a major challenge. In response, the Strategic Management Initiative (SMI), introduced in 1994, sets the scene for reform in the civil service. Its main focus is to enhance the strategic capacity of government departments to facilitate social and economic development. The broadening of the SMI to local government and other sectors is intended to enhance local strategic capacity (NESC 1999: Chapter 12). The main focus to date has been on improving the management of public services. While this is

20. The national agreement covering the period 2000-2002 – the *Programme for Prosperity and Fairness* – is presented under five operational framework headings: Framework I for Living Standards and the Workplace Environment; Framework II for Prosperity and Economic Inclusion; Framework III for Social Inclusion and Equality; Framework IV for Successful Adaptation to Continuing Change; and Framework V for Renewing Partnership.

clearly vital, ultimately, it is at the policy level that decisions on the future shape of public services such as health, education, social services, housing and infrastructure provision are made.

Developing long-term policies for issues that cut across government departments and levels of government is an issue of growing concern. Issues such as social inclusion and infrastructure development require responses that cut across organisational boundaries and traditional practices. To be effective, policies may need to devise responses that go beyond the capabilities of any one agency. Rather than focusing on the achievement of individual units such as government departments, local government units and government agencies the entire service is what matters to the user. This entails not just co-ordination but collaboration between levels and possibly sectors of the public service. This in turn necessitates appropriate information for policy planning, monitoring and evaluation. This is a key theme emerging from several recent analyses (for example, NESCF 1999) where it is recognised that the non-availability of appropriate data for policy analysis and planning, and for monitoring and evaluation of policies and outcomes is a crucial barrier to the achievement of the commitment to evidence-based decision-making. Appropriate and timely data that can be dis-aggregated by relevant categories are essential for effective policy formulation. They are also essential for the monitoring of progress and evaluation and would facilitate the development of a mind-set oriented to analysis and planning within the public policy system. This has been highlighted by the social partners in the most recent strategy report of the National Economic and Social Council (NESCF 1999) and in the mandate to the NESCF to develop a framework for progress indicators and to benchmark key elements in the latest national agreement (Government of Ireland 2000; NESCF 2001a and b).

In summary, while it is recognised that an effective public service is dependent on partnership between different levels and sectors in the public service and that progress has been made in the direction of achieving this, there is still a considerable way to go on the road to better governance and the ability to respond effectively to new social demands.

The role of the local level: partnership at the local level

Social partnership in Ireland is far more extensive than national-level fora, such as the National Economic and Social Council, the negotiation of national agreements and the National Economic and Social Forum (NESF).

The most innovative aspect of Irish partnership is action at the local level in what was identified in the 1991-1993 national agreement, the *Programme for Economic and Social Progress*, as an "area-based response to long-term unemployment" (Government of Ireland 1991 :75-8). The immediate impetus for this approach was the recognition that a community response in particular local areas was essential if long-term unemployment was to be reduced. This reflected the 1990 European Community resolution on action to assist the long-term unemployed and recommendations made by the NESc in *A Strategy for the Nineties* (NESc 1990). This dimension of partnership has been extraordinarily effective.

The format of these initiatives is that the Area-Based Partnerships (ABPs) are limited companies, subject to the Companies Act (1991) established to co-ordinate the response to disadvantage in each participating area. The board of directors, typically about eighteen members, are drawn, in equal proportions, from the statutory agencies responsible for training and economic development, the social partners (trade unions, farmers and employers associations) and the community sector (groups active at the local level not only on economic development, but on issues such as social welfare, tenant rights and area-based crime prevention). In practice the social partners nominate local people affiliated with their organisations. Irrespective of original affiliations all board members have primary responsibility to the partnership or company they direct and not to the organisations that nominate them. As a consequence the ABPs are well situated to exploit the resources of government agencies, the social partners (including, for example private sector business people active in employer-representative associations) and local community groups, without being directly answerable to any of them (OECD 1996 : 36). The relevant state agencies work with the local companies to implement an integrated response to disadvantage. The local partnerships work on the same principle as the national partnership agencies, that is the objective is to achieve a shared understanding of the analysis of the problems confronting the area and consensus on the solutions proposed.

The budget for each participating area includes funding under the headings of education, social welfare, training, work schemes, enterprise and employment with several specific initiatives under each heading, for example, vocational training, part-time and second level education initiatives, part-time job incentive schemes, voluntary work schemes and anti-poverty initiatives. It also included several training initiatives and work scheme initiatives in relation to youth and marginalised groups. Funding for ABPs is administered through an intermediate company – the Area

Development Management Company (ADM), which is under the auspices of the Department of the Taoiseach (Prime Minister). It also has a monitoring and support role in relation to the ABPs and provides a strong link between these partnerships and the national administration. It identifies policy issues that need to be addressed nationally or at European Union level.

The ABP approach was piloted in 1991 in twelve urban and rural areas with particularly high levels of long-term unemployment. The initial success led to the extension of the approach and there are now thirty-eight area partnerships and thirty-three smaller community partnerships. While not all are equally successful, some remarkable successes have been achieved by these partnerships as is indicated in an OECD report published in 1996 (OECD 1996).

It is noteworthy that these area-based partnerships are only one variant of a range of partnership structures and initiatives at the local level in Ireland (European Foundation for the Improvement of Living and Working Conditions, 1998: 56-60).

Historically, local partnerships have been primarily the concern of central government. To a significant extent, the impetus for their development came from this source. The role of local government in the process is now being strengthened through the development of linkages at the local level between local government and social partnership initiatives in county development boards.

In conclusion, partnership at the local level is a very important dimension of the Irish partnership structure, particularly in addressing disadvantage and in enhancing social inclusion. While the linkage to the national administration is channelled through the funding agency – ADM – which also identifies issues to be addressed at the European Union level, the links with the key national partnership structures are indirect. In so far as local partnerships have input into the national structures it is through the links of the constituent elements to their national organisations. This kind of structure serves the traditional social partners – employers, trade unions and farmers – more effectively than the community and voluntary sector. The latter is inherently less structured. Despite this the national-level partnership structures are strongly supportive of action at the local level. For example, a recent initiative to address severe disadvantage in selected urban and rural areas through local partnership structures arises directly from a proposal in the most recent strategy document produced by the National Economic and Social Council (1999) and incorporated into policy through the national agreement.

Conclusion : A social partnership ethos in decision-making

Based on the Irish experience over the past decade and a half the answer to each of the questions raised at the outset is unambiguously positive in relation to partnership initiatives :

1. *Is a partnership between the public sector, the private sector and civil society an answer to better governance and a response to new social demands?*

The partnership arrangements entered into in 1987, in the depth of Ireland's economic difficulties have strongly contributed to the development of consensus on the analysis of key economic and social issues and on the consistent policy action necessary for their resolution. This consensus has in turn contributed to the remarkable success of the Irish economy in the intervening period. This is reflected in industrial peace, a remarkable reduction in unemployment and a change from a significant budget deficit to a budget surplus.

2. *Is a better-developed partnership between different levels and sectors in the public sector an answer to better governance and a response to new social demands?*

There is now a strong commitment to the development and enhancement of partnership between different levels and sectors of the public sector but this is still at the stage of "work in progress". In addition to improving collaboration between levels and sectors effective outcomes in terms of the identification of new needs will depend on the enhancement of information for policy analysis, monitoring and evaluation.

3. *What role should the local level play?*

The Irish evidence indicates that a vibrant local level of partnership, with appropriate institutional supports can be a highly effective mechanism for addressing key social and economic problems such as unemployment and socio-economic disadvantage.

In conclusion, it is reasonable to speak now of a "social partnership ethos" in the public policy area in Ireland. It is inconceivable that major policy initiatives would now be taken without some consultation with, and/or involvement of, the social partners and this is reflected at both national and local level. This is not to suggest that social partnership has been fully exploited in the Irish context. It is an evolving practice the success of which encourages continuing development and innovation.

Ireland is now in an era of managing economic success rather than coping with economic failure. Sustaining this economic success is dependent on agreement on the objectives by all sectors. It has been successful in relation to key economic and monetary targets largely because of a consensus on the overarching objectives. A similar consensus on social inclusion is now necessary. Making the enhancement of social inclusion an integral part of the public policy process is dependent on a vibrant and responsive partnership framework at the national and local levels with effective linkages between the two and with effective partnership between different levels and sectors in the public sector.

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