SOCIAL PARTNERSHIP: NEW PUBLIC MANAGEMENT PRACTICE IN BARBADOS

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Social partnership is a relatively new concept that has been embraced by public management practice in developing countries. This paper explores the evolution and practice of social partnership as a major policy instrument of national development in Barbados and Ireland, two countries with diverse political economies. More importantly, it examines the application of the social partnership concept as innovative expressions of new public management (NPM) that provides lessons for other countries depending on their willingness to place national interests above all else.

INTRODUCTION

The social partnership as practiced in Barbados since 1991 has evolved into a paragon for the developing world in general, and the Caribbean in particular, especially within the context of post-structural adjustment policy analysis. It therefore represents an innovative expression of new public management (NPM) practice that has relevance for other countries since the lessons learnt have implications for further application, depending on factors such as the nature of the crisis, the willingness of stakeholders to engage in social dialogue, the willingness to achieve national consensus based on pragmatic solutions, the ability to place national interests above all else, and the resolve to implement bold decisions.

This paper explores the evolution and strategic significance of social partnership in Barbados as a tripartite consultative and negotiating mechanism for policy-making and economic development with a view to identifying the critical success factors (CSFs) that influenced the process of social dialogue as the social partners struggled to contain the socioeconomic and political crises that threatened the viability of the Barbadian state. Secondly, it seeks to understand the dynamics of the social dialogue and the political economy of social partnership in relation to Barbados' economic success and the other famous social partnership that contributed to the "Celtic Tiger" phenomenon in Ireland. Thirdly, it seeks to compare some of the invaluable insights from the Barbadian and Irish experiences in relation to the mechanics of social dialogue and their impact on forging and sustaining social partnerships that continue to transform the NPM agenda. Fourthly, the paper highlights the recognition of a national problem, and the process of initiating and sustaining a consensual solution by organized labour, particularly

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the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB), that makes the social partnership fundamentally different from previous approaches to tripartism.

SOCIAL DIALOGUE: WORK-IN-PROGRESS

The trade union played a predominant role in initiating and sustaining the Barbados social partnership as a leader in the vanguard of the struggle for social and economic transformation. It has evolved significantly over time by adapting to a constantly changing operational environment. In *"Changes coming for Social Partnership"* Cumberbatch, (2005:24) asserted that on November 1, 2004 at a meeting of the full social partnership, it was agreed that the tripartite nature of the social partnership would be sustained, and when necessary, government, employers and labour would broaden the social dialogue by including other unnamed civil society and private groups. In addition, it was suggested that there should be quarterly or half-yearly meetings of the full social partnership, and a full-time secretariat should also be established. These changes coincided with the concerns expressed by the National Union of Public Workers (NUPW) about the "one-sided social partnership" and therefore agreed with enhancing the mechanisms of the social partnership in order to make it more inclusive, and to consolidate the real gains that contributed to its success and by extension, its sustainability.

Springer (2005) in *"Social Partnership – The NGOs and the media"* also suggested the need for a more proactive approach to expand the social partnership to formally include NGOs and the media, at the national and regional levels. Likewise, he advocated that NGOs should proactively present themselves as significant and attractive complements to the public and private sectors. Indeed, the phenomenal success of the social partnership was the subject of a *"Symposium on the Barbados Protocols"* undertaken by the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES), University of the West Indies, Cave Hill, Barbados on 23 August 2003 as well as the seminal work of senior social dialogue specialist, Tayo Fashoyin (2001) in *"Fostering economic development through social partnership in Barbados"* conducted the first of a number of country reports to be produced by the InFocus Programme on Strengthening Social Dialogue, International Labour Office (ILO), with a view to analyzing the different approaches to social dialogue and identifying best practices.

Fashoyin analyzed both the qualitative and quantitative results of the social partnership protocols, and concluded that they not only contributed to the reversal of the economic decline, but more importantly, to a path of sustained growth since the implementation of the First Protocol - the Implementation of a Prices and Incomes Policy (1993-1995). He highlighted the strategic role of social dialogue as a mechanism for building national consensus in the search for socially acceptable public policy. Social dialogue refers to all types of joint and collaborative relationships, negotiations, consultations and exchanges of information, most commonly between the tripartite and bipartite partners, either by formal or in-formal means, and through ad hoc or institutional frameworks on issues of common interest relating to economic and social policy.

In *"The Social Partnership Ten Years On: A Labour Perspective"* Trotman (2003) argued that when communities perceived themselves to be under threat, it is then that working together they are able to become stronger because they are willing to build institutions that will last based on their willingness to downplay the things that divide them and strengthen those things that offer salvation against the threat. It was primarily as a consequence of the initiative of CTUSAB that joint discussions on the critical nature of the national economic crisis were held with the Barbados Private Sector Agency (BPSA) that resulted in their joint collaboration and the eventual negotiation of the social partnership.

GENESIS OF IRISH SOCIAL PARTNERSHIPS

There are quite a few striking similarities between the Irish and Barbadian experiences in relation to the practice and evolution of social partnership. In *"The Irish social partnership and the celtic tiger phenomenon"* Baccaro and Simoni (2004) argued that the literature of the National Economic and Social Council (NESC), a tripartite consultative body, various years; (O'Donnell and O'Reardon, 1997; 2000; Mac Shary and White, 2000; Auer, 2000; Fitzgerald and Girvin, 2000); and discussions with policy-makers and the Irish population shared the view that social partnership played a fundamental role in the making of Ireland's economic miracle.

The idea of social partnerships evolved in the late 1980s when Ireland was faced with a serious economic crisis (1980-87) characterized by high inflation, huge government debt and deficit, stagnant investments, the loss of its manufacturing base, and rising unemployment. The NESC, the tripartite consultative body formed in 1973 to play an advisory role to the government on "the development of the national economy and the achievement of social justice," had since 1986, facilitated consultations among social partners to create a process of shared learning for an inclusive overview of socioeconomic "options, challenges and trade-offs." Thus in 1987, the Programme for National Recovery (PNR) for the period (1988-90) became the first of six successive partnership agreements that was negotiated among the social partners comprising government, employers, and the Irish Congress of Trade Unions (ICTU).

The PNR was a consensual document that was produced and signed by all the social partners. It essentially indicated that the ICTU agreed to limit wage increases and not to take industrial action that would result in additional cost increases for the employers. In exchange, the government agreed to reform the tax system so that take-home pay would be increased and also to maintain the current value of social welfare allowances. The Irish economy performed extremely well during the three years covered by the PNR (1998-90) with GNP growth at 3.6 percent per year that led to improvements in all other macroeconomic indicators. As a result of its relative success, the NESC (1990) identified the following as essential elements for a consistent policy framework within a national strategy:

1. Macroeconomic policy securing low inflation and steady growth.
2. Evolution of incomes that underpins competitiveness while handling conflict over distribution.
3. Promotion of structural change to adapt to changing external environment.

SOCIAL PARTNERSHIP AGREEMENTS

As a consequence of these encouraging results, the social partnership became the backbone of Irish economic policy. Since then, every three years, a new social partnership agreement has been approved. A NESC Strategy Report preceded each new social partnership agreement and it provided the analytical underpinnings for discussion on specific issues. These agreements contained both wage guidelines and a number of social and economic measures. In view of the increasing social components of these agreements, the National Economic and Social Forum (NESF), established in 1993, was brought on board to address social policy issues such as social exclusion and unemployment, and thus from the fourth agreement, the narrow economic mandates of the earlier agreements were substantially broadened. It is instructive to note that each agreement introduced new elements that represented improvements on its predecessor. These innovations can be seen from the evolution of the six (6) social partnership agreements that are listed below:

1. Programme for National Recovery (PNR), (1988-90). This agreement was quite similar to an incomes policy because it basically exchanged wage restraint for tax cuts. It also maintained the real value of social transfers, and then when the public coffers had been replenished through several years of sustained economic growth, more substantive measures were implemented.
2. Programme for Economic and Social Progress (PESP), (1991-93). This agreement reintroduced the notion of two-tier bargaining and extended the social partnership approach to the local level through the so-called "Area-Based Response to Long-Term Unemployment."
3. Programme for Competitiveness and Work (PCW), (1994-96). This agreement overcame cyclical unemployment by focusing on employment creation.
4. Partnership 2000 (P2000), (1997-2000). This agreement extended the social partnership to the enterprise level and contained policy initiatives aimed at reducing social disparities and exclusion. Social exclusion was linked to a major innovation in the institutional structure of social partnership at the national level, namely, the inclusion of community and voluntary organizations that had been lobbying for their voices to be added to the bargaining process.
5. Programme for Prosperity and Fairness (PPF), (2000-02). This agreement reflected a shift in emphasis from macroeconomic policy to more supply side-oriented policies since unemployment was no longer the most pressing problem and had been replaced by labour and skill shortages. The agreement therefore contained a series of recommendations pertaining to skill develop-

ment, infrastructural investments, the provision of more affordable housing, and the development of childcare facilities.

6. Sustaining Progress – Social Partnership Agreement (SPA), (2003-05). The shared overall goal of this new agreement was to continue progress towards the realization of the NESC vision for Irish society in a period of considerable uncertainty. This was done by sustaining economic growth, maintaining high levels of employment, and securing living standards for all whilst strengthening the economy's competitiveness and thus its capacity to resume robust growth in more favourable global conditions. In support of these goals, this agreement focused attention on the implementation of ten (10) Special Initiatives.

BARBADOS' MODEL OF SOCIAL PARTNERSHIP

The Irish and Barbadian social partnerships were created within four years of each other - 1987 and 1991 respectively. Former prime minister, Erskine Sandiford (2003) in "*Statement On The Tenth Anniversary Of The Signing Of The Protocol For A Prices And Incomes Policy*" asserted that on August 24, 1993, he signed Protocol I (1993-95) on the Implementation of the Prices and Incomes Policy along with representatives of the Workers, headed by Leroy Trotman and Robert "Bobby" Morris, and the employers headed by John Stanley Goddard. Together these three entities were designated as the "Social Partners" who acknowledged that Barbados' national success was largely due to its peaceful and harmonious labour-management relations, and that the tripartite approach was the most effective strategy for achieving national development and cooperation. Goddard (2003) in "*Panel Presentation - Symposium On The Barbados Protocols*" identified the following objectives of Protocol I:

1. Safeguarding the existing parity of the dollar;
2. Securing economic growth through competitiveness;
3. Wage restraint;
4. Restructuring the economy; and
5. Promotion of productivity.

In order to achieve these objectives, the social partners therefore implemented the following policy actions:

1. A general wage freeze;
2. Making increases in wages and salaries only in terms of profit-sharing arrangements or productivity bonuses;
3. Monitoring price increases, particularly by monopoly suppliers but also by independent professionals and artisans;
4. Considering and examining index wage adjustments and tax allowances in relation to increases in the cost of living; and
5. Establishing a National Productivity Board to stimulate national commitment to enhanced productivity and performance.

The origins of the Irish and Barbadian social partnerships were rooted in economic crises – a prolonged economic crisis (1980-87) in the case of Ireland, and in the case of Barbados, the worst series of disequilibria in its economy (1991-93), characterized by "high budget deficits, high wage settlements, high foreign debt payments, and high deficits on the current account of the balance of payments, resulting in the near depletion of the country's foreign reserves (Sandiford, 2003). He argued that the traumatic circumstances "occasioned deep anxiety, fear and disequilibrium in the economic, social and political life of Barbados." Trotman argued that these national challenges created a unifying impact that ignited the spirit of national unity among the divergent interests and views of the social partners as the momentum for action was driven by the urgent need "working alone or with others, to resist the economic threat." In fact, he cited the positive responses of the social partners to these challenges as perhaps the most enduring learning experience for the Barbadian community. More importantly, however, it was the quality of the response that made the real difference to the survival of the Barbadian political economy.

In addition to the economic challenges, Barbados was also confronted with issues of political management, especially as they related to national sovereignty and the overwhelming fear of structural adjustment policies being imposed by the International Monetary Fund (IMF) and the World Bank (WB). There was overwhelming evidence from other countries that indicated that socioeconomic and political destitution usually followed in the wake of the implementation of IMF policies. CTUSAB played its most significant role in leading by example as it initiated and sustained the social dialogue that produced a new model of social partnership that steered Barbados safely out of deep uncharted waters.

SOCIAL DIALOGUE

Trotman argued further that from the outset CTUSAB took a position that Barbados was under siege by the IMF and the WB and therefore encouraged cooperation and collaboration among the social partners in the face of this threat. This approach, however, did not find favour with the government because it may have thought that such a position would be disastrous for its negotiations with the IMF. Indeed, the government refused to allow the unions to meet with the IMF, and Trotman used his office as President of the International Confederation of Free Trade Unions (ICFTU) to trigger a meeting with the IMF. However, the ensuing social dialogue between the IMF representative, Hilda Schmidt, and CTUSAB representatives, Leroy Trotman, Robert "Bobby" Morris and others, proved to be decisive because it produced an outcome that was quite different from the typically strict policy adherence that was expected from these deliberations.

The initial response of the IMF to the Barbadian crisis was to suggest devaluation as the most natural course of action based on their traditional implementation of policies that reduced social security benefits, unemployment benefits, expenditure on education and health, introduced user fees, and imposed significant increases in water rates, public transport charges, and public housing rents. CTUSAB was able to convincingly argue that the implementation of such policies was not in the best interest of Barbados because of the devastating impact that these policy measures would have on an economy that was so dependent on its human resources for its very survival. The trade unions' initial response to the economic crisis was submitted as a twenty-two (22) point plan of action to the government that sought primarily to ensure that:

1. There would be no devaluation;
2. The lay-offs in the public service would be kept to the barest minimum, and there would be a displaced workers review Board to ensure that no lay-off decision would result in a situation where an entire household would become unemployed;
3. There would be no reduction in the quality/character of our education;
4. There would be no reduction in the quality/character of our healthcare;
5. Efforts would be made to have a basket of basic supplies, which would be protected from any local price increases;
6. Efforts would be made to sensitize the population regarding the crisis, its basis and some of the possible solutions;
7. The population would be encouraged to note that by purchasing local it would secure jobs for more people, and that by seeking to export, the country would regain its stability. (Standiford, 2003)

The social dialogue proved to be a turning point in negotiations because the eventual policy outcome was the saving grace that shielded Barbados from certain socioeconomic and political disaster if it had to implement any IMF policies that included devaluation. Indeed the policy outcome that resulted from the intervention of CTUSAB was even more significant given the fact that not all Barbadians, whether politicians or ordinary citizens, were opposed to devaluation despite two massive protest marches of approximately twenty thousand (20,000) persons organized by CTUSAB in October and November 1991 (Trotman, 2003). The subsequent demise of the Democratic Labour Party (DLP) government was further evidence of the political fallout that awaited any government that implemented salary cuts or devaluations because of the destabilizing impact it had on the political economy and social fabric. Similar outcomes had occurred previously in Jamaica in 1980 where the PNP government was voted out of office for implementing IMF policies that included devaluation, and in Trinidad and Tobago when the NAR government was voted out of office in 1991 for implementing IMF policies that included a ten percent salary cut.

In *"Sustaining Progress – Social Partnership Agreement 2003-2005"*, Ahern (2003) argued that in light of economic uncertainties, the social partners had to jointly take hard decisions on what should be their immediate priorities.[21] In fact, he contended that similar hard choices were made in 1987 and they provided a solid platform for economic and social development from which all of the people subsequently benefited. The negotiations for the new SPA (2003-05) were formally launched on 31 October, 2002. The NESC Strategy Report, *An Investment in Quality: Services, Inclusion and Enterprise* provided background support for the national consensus that eventually became the successor agreement to the *"Programme for Prosperity and Fairness (PPF.)"* It was the sixth in a series of agreements between government and the social partners dating back to 1987. It sought to provide a coherent and focused strategy for managing the interdependent elements of the economy and therefore represented a commitment to a renewed consensus expressed in the best interest of the people. The parties to the negotiations included the government, employers, trade unions, farming bodies, and twenty-six (26) participant organizations comprising community and voluntary organizations.

BENEFITS OF IRISH SOCIAL PARTNERSHIP AGREEMENTS

To date, the Irish social partnership has been very successful and it has therefore become a permanent feature of the political economy over the last seventeen (17) years. It has evolved from its original mandate of containing an economic crisis characterized by increasing debts, deficits, and double-digit unemployment rates, to a situation of full employment and labour market shortages. The social partnership also managed to thrive in an uncertain political environment by engaging in social dialogue with all political parties in Ireland (Fianna Fail, Fine Gael, Labour, and Progressive Democrats) that were involved in government at some point. Despite these outstanding achievements, however, there are contrasting views about the benefits and the actual contribution of the social partnership to the Irish success story.

The Organization for Economic Cooperation and Development (OECD) (1999) argued that the social partnership benefited from a combination of different variables rather than a single variable. Barry (1999) contended that multinational investments were the primary benefits of the social partnership that transformed the performance of the Irish economy. Economists have typically expressed skepticism about the role of the social partnership in transforming the Irish economy. They argued that wage disinflation was not the product of the PNR social partnership agreement because there was no evidence of a break in wage behaviour that could be traced back to the partnership agreement. In addition, they identified industrial peace as the primary benefit of centralized bargaining rather than reduced wage increases. Durkan (1992) argued that there were no real benefits of the social partnership since the PNR agreement had a negative impact on the Irish economy. In fact, he argued that the social partnership agreement was negotiated solely for industrial relations purposes, specifically to reduce industrial conflict at the workplace level.

Fitz Gerald (1999) acknowledged the partnership's role in reducing the levels of conflict as the sole benefit but he also argued that the effects of the partnership approach have been largely overestimated. In addition, he argued that the social partnership has had no independent effect on wage moderation since it merely validated the results that market forces had made inevitable, namely, the role of Ireland's unusually elastic labour supply curve due in part to migration and increasing female participation, in keeping wages under control. Alesina and Perotti (1997) provided arguments that were more inclined towards social partnership. They emphasized that social partnership was one element in a broader policy mix of expansionary fiscal contractions that boosted a country's competitiveness. In this regard, nominal exchange rate devaluations and incomes policy arrangements were accessory elements in this policy mix.

SIGNIFICANCE OF THE BARBADOS PROTOCOLS

In Barbados, the social partnership model has provided many benefits since the implementation of the first Protocol (1993-95). Fashoyin argued that the series of tripartite agreements that span the period between 1991 and 1998 constituted a fundamental development in industrial relations in Barbados since they formed the basis of a significant evolution of an institutional framework for social partnership in addressing social and economic issues. More importantly, he argued that these agreements marked the beginning of national-level negotiations:

1. Protocol I (1993-95) was designed mainly as a package of measures to redress specific economic problems and their social consequences.
2. Protocol II (1995-97), unlike its predecessor, was agreed in the context of a relatively improved economic environment and was deliberately intended to reinforce and consolidate the gains that were achieved through the implementation of Protocol I.
3. Protocol III for the Implementation of a Social Partnership (1998-2000), was also distinct and equally significant in that unlike the earlier protocols, it sought to foster sustainable social and economic partnership. Fashoyin argued that it was this protocol that really established social dialogue as a useful mechanism for achieving socioeconomic development.
4. Protocol IV (2001-04) was fashioned in response to prevailing circumstances that called for fundamental changes in the local economy in order for Barbados to sustain its high standard of living. This protocol therefore departed from earlier ones by seeking to consolidate the social partnership by emphasizing reform of the public sector in terms of greater efficiency such as response time and payments for services rendered, and in the private sector in terms of producing more goods for export. In addition, the protocol addressed the issue of HIV/AIDS at the work place in order to prohibit employers from discriminating against employees who have been stricken with the disease. To this end, consideration was given to flexitime and working at home. Consideration was also given to improving conditions for persons with disabilities in general, and those at the workplace. Another fundamental difference with this protocol was the decision to establish a full-time secretariat to carry out the functions of the social partnership.

Goddard argued that Protocol I (1993-95) was fairly successful in achieving most of its stated objectives and remarkably successful in terms of changing the mood of people and fostering social dialogue. However, he noted that the protocol was less successful in restraining the remuneration of independent professionals and artisans as well as the prices of goods and services. Protocol II (1995-97) embodied the essential features of the previous protocol and introduced public and private sector reforms to improve national competitiveness and price control mechanisms to correct deficiencies in light of previous experiences. Moreover, it broadened the scope of the social partnership and extended it to 1998 in order to move beyond a mere prices and incomes protocol by focusing on the development of small scale enterprises, training and retraining in the public and private sectors; and the development of consumer groups. Protocol III (1998-2000) agreed to continue with the cautious stance of restraint in prices and incomes. In addition, a new focus on persons with disabilities was incorporated into Protocol III which was extended to 2001. Protocol IV (2001-03), sought to consolidate the accomplishments and experience gained from the three earlier protocols as the social partnership continued to evolve in view of emergent challenges.

Sandiford asserted that the protocol was perhaps the most momentous and creative piece of public policy engineering in the history of Barbados, both symbolically and substantively. Symbolically, it represented the maturity of the concept that the social partners should coexist in mutually beneficial relationships despite their divergent roles, functions and interests that in many instances conflicted, sometimes with very deleterious effects on the body politic and the social fabric of the society. The social partnership therefore was a natural progression in the evolution of a new relationship and approach in managing national socio-economic issues. However, Sandiford noted that new avenues of social dialogue and influence in the formulation of public policy were not meant to be, nor should they replace or downgrade established democratic processes for consultation and policymaking, formulation and implementation. To this end, he cautioned that parliament has to safeguard its status, rights and privileges, the positions of those who are elected as representatives, and robustly and jealously maintain or re-establish its position as the pre-eminent voice of the people in view of an augmented executive and rising prime ministerial power. In short, the social dialogue and the evolving social partnership that was born out of a need to stabilize the economy, continues to contribute to social inclusion and social stability by providing opportunities for all voices to contend.

CRITICAL SUCCESS FACTORS

The Irish and Barbadian models of social partnership owe their success to a variety of critical factors. In this section we examine the role of these factors in sustaining the economic miracle in the respective countries. Bradley et al. (1997) argued that the maintenance of a stable macroeconomic environment, combining low inflation, low public deficits and surplus in the balance of payments fostered a stable environment for business that have been crucial to the success of the economy since the implementation of the PNR in 1987. In this regard, they identified three elements of domestic policy as being of particular importance to success – industrial policy, fiscal policy, and institutional reform. Murphy (2000) identified the role of multinational companies (MNCs), particularly American, as one of fundamental importance. MNCs were also held responsible for what became known as the “Irish disease,” namely, setting wage increases at higher levels than their domestic counterparts because of their greater capacity to pay. This indigenous phenomenon was a critical factor that influenced the success of the social partnership because the high-productivity growth sector acts as a wage leader and dictates the terms of wage settlements for the economy as a whole.

Organizational policy played a central role as one of the critical success factors. Baccaro and Locke (1998) contend that the lack of explicit redistributive intent may have made compliance with centralized agreements easier because the general experience has been that egalitarian wage policies aimed at bringing about inter-sectoral and inter-skill compression are deeply divisive. In addition, attempts to impose wage differentials from above inevitably unleash opposite reactions from below. To illustrate their point, they made a brief comparison between the National Agreements to date and the National Understanding of the 1970s. The latter eventually collapsed because they proved unable to ensure wage restraint while the former were extremely successful in limiting wage differentials. This difference suggests that organizational policies play a more significant role than organizational structure in explaining compliance or lack thereof in relation to centralized wage regulation.

The role of soft skills and resources, namely, decision making and its related procedures, cannot be discounted as being quite significant to the success of the Irish model for they contributed to the reduction of intra-organizational conflict. It was the combination of these soft factors that created the perception of genuinely democratic and fair procedures which allowed the social partners to live up to the expectations of the public in relation to accountability, transparency and participation. However, the recent secession of ASTI, one of three teacher unions, from the ICTU because of its unwillingness to be bound by the confederation's wage policy is one of the threats to the continued success of the social partnership. It became the first public sector union to break the rule of majority decisions within the Congress and this has serious implications for the future because this incident could be either an isolated case or a more challenging sign of incipient fragmentation.

Baccaro and Simoni argue that the Irish social partnership differs from existing national models in many fundamental respects. Perhaps the most significant difference was the fact that public sector unions, a prototypically non-exposed group, played a fundamental role in partnership with SIPTU, the major general union, and the government, in initiating and sustaining, the six social partnership agreements in Ireland. The net result was that wages in the public sector were higher than in the manufacturing sector. The social partnership also altered the process of wage formation in Ireland by linking wage increases in the economy to the productivity gains, as well as the ability to pay, of the most traditional, labour intensive, and more highly unionized domestic portions of the manufacturing sector. The evidence indicated that the Irish social partnership performed extremely well despite the absence of appropriate institutional preconditions such as monopolistic and highly centralized interest groups. The organizational features of the Irish interest representation system did not undergo any significant change during the pre-social partnership (1970s) and social partnership periods (1980s-1990s). However, the outcomes of the two phases were considerably different. In fact, the distributional profile of wage policies appears to be more significant as critical success factors than organizational structures in explaining social outcomes.

The fact that centralized wage policies were distributionally neutral during the phase of social partnership, unlike the pre-social partnership period, was a critical factor in the elimination of a source of potential instability. Indeed, Teague (1995) argues that the Irish social partnership does not exhibit the trademark redistributive features of Northern European social corporatist models. Barrett, Fitz Gerald, and Nolan (2000) highlight evidence of a significant increase in earning dispersion between 1987 and 1994, especially at the top of the distribution. The redistributive effects of the tax cuts, the social welfare system, and favourable developments in labour market participation, especially during the 1987-1994 period, played a significant role in ensuring that incomes did not change much despite a considerable widening of earning inequality. In this regard, the social partnership was unable to reduce increasing inequality even though it ensured that the bottom of the distribution did not fall too much below the median.

The reality is that wages increased systematically less than productivity while workers were compensated for their wage restraint through reductions in income taxes which are generally regressive. Baccaro and Simoni contend however, that there are reasons to doubt the sustainability of the Irish model over the long run. They base their claims on the fact that the success of the model depends on the following two factors:

1. Other countries are not following the same route which would ultimately result in a socially disruptive race to the bottom.
2. Tax cuts translate sooner or later into cuts in the quality of public services, including market-correcting redistribution, unless the economy grows at consistently high rates.

Given the foregoing scenario, Baccaro and Simoni argued that the Irish social partnership needed to change in order to remain viable. It therefore needed to ensure that competitiveness based on know-how, skills, and capacity to innovate, rather than just lower wage costs and taxes were the most proximate factors. In other words, it must add real value to its gross domestic product. In addition, it must pay immediate attention to the equally important task of strengthening the effectiveness of the public sector while avoiding financial imbalances. The next steps included finding the capacity and the political will to craft creative solutions to emergent challenges that confronted the Irish and Barbadian social partnership models respectively.

CHARACTER OF BARBADOS' SOCIAL PARTNERSHIP

The traumatic Barbadian experience can be appreciated much more in hindsight now that those events are in the distant past. It was only when the trade unions met with former Prime Minister Erskine Sandiford on 31 July, 1991 that they were duly informed and thus became fully cognizant of the grim challenges faced by the government, namely:

1. To limit its expenditure while increasing revenue;
2. To reduce public wages and salaries while increasing taxes;
3. To increase national competitiveness while removing subsidies and other protection for industry; or conversely,
4. To accept devaluation and have all the above still follow (Trotman, 2003).

The social dialogue initiated by CTUSAB was indeed timely because it facilitated negotiations that eventually created and sustained an effective working social partnership for national governance. The point of departure for CTUSAB was that it should protect the rights and interests of labour as outlined in clause 2 (c) of Protocol I and Protocol II. Protocol I (1993-95) set the tone for the succeeding three Protocols – Protocol II (1995-97), Protocol III (1998-2000), and Protocol IV (2001-03) that sought to make the social partnership more inclusive based on the reality that it takes more than government, capital and labour to find appropriate solutions to national problems. Labour proposed two approaches to the social partnership nexus. The first one, covered by Article 6.1 of Protocol I (1993-95), allowed a social partner, after consultation with the others, to invite other interested parties. The second approach has evolved, in which the social dialogue, though continuing to be designated tripartite, is defined in its widest context (multipartite) for those meetings held in accordance with Article 5 (b), four times a year, and Article 6, chaired by the prime minister.

The sub-committee meetings of the social partnership now include more representatives from the three major social partners – government, labour and capital. The government team now includes the head of the Civil Service, the director of planning, the permanent secretary, ministry of the Civil Service, the permanent secretary, ministry of Labour, the chief personnel officer, Personnel Administration Division, and co-opted persons as required to service the agenda. This is a vast improvement compared to the original circumstances whereby only two ministers, the permanent secretary of the ministry of the Civil Service, and an administrative officer who kept the records were involved in the process. There are also several more private sector agencies involved now than before, compared to only the Barbados Employers Confederation, and the Private Sector Agency. Participation by labour has remained fairly consistent over the years.

The major concern expressed by agencies excluded from the social partnership has been a call for social inclusion. Another fundamental concern relates to the lack of a secretariat to service the work of the social partnership because this negatively impacts the decision-making process since there is a definite time lag between the decisions taken by the social partnership and its implementation. The social partnership nexus has been forged from voluntary actions taken by the labour movement in its relations with the private sector in the first instance, especially in 1992, when a select committee, led by Robert Morris for labour, and Ed Bushell for capital, developed the first protocol. The first protocol served to guide the process that has become the bedrock of the social partnership in Barbados. Indeed, in *"Social contract of great value to Barbados"* (2002), Arthur paid tribute to the contribution of the four protocols to the economic and social stability of Barbados. He noted that the operation of a "social contract between government, the labour movement, the private sector and the civil society generated the social capital which stabilized our economy and society during its most dangerous depression, and has been the chief resource on which we have drawn in recent times to underwrite the longest sustained period of prosperity in our history."

The potential conflicting interests of government, labour and capital as a consequence of their divergent agendas was significantly divisive then and still is now. There is the constant risk that disharmony today could undermine all that has been achieved to date. The goal was therefore to forge greater social inclusion among these disparate interest groups in order to create new systems of public management and national governance. More importantly, there was an urgent need for the application of this new public management praxis to demonstrate that the social partnership could minimize differences and more importantly, to mobilize the social partners to accept equal responsibility for and contribution to national development as the single most important option for survival. Springer, however, notes that in the Barbadian context, the social partnership is still restricted to the primary partners comprising government, labour and the private sector. He therefore identified the need for a more proactive approach to expand the social partnership to formally include non-governmental organizations (NGOs) as well as the media at the national and regional levels and for the NGOs to present themselves as complementary to the private and public sectors.

Springer contends that NGOs may be seen as supportive to the social partners since their primary role is to defend or promote a specific cause and to influence public policies and practices. Given the role of the media to inform and educate the wider community, Springer believes that if the media were included in the social partnership and there was mutual respect among the partners for their divergent roles in national development, then the model may be embraced by a more well-informed populace, especially in light of the reality that the practice of a formal social partnership in the region is virtually non-existent. The Irish and Barbadian social partnership models have placed the concept and practice of democratic governance under greater scrutiny in recent times and underscore a definite need for civil society to be more proactive rather than reactive. In addition, there needs to be less reliance by citizens on their governments to provide solutions to problems as if the government has all the answers to public policy issues. There must be more active participation by individuals, groups, networks, and policy advocates such as the Caribbean Policy Development Centre (CPDC), community-based organizations (CBOs), grassroots organizations (GROs), and other NGOs. It is this type of civic action and its multiplier effect that will ultimately result in better social partnerships and improved democratic governance.

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