

**DOES DISCOURSE MATTER IN THE
POLITICS OF BUILDING SOCIAL
PACTS ON SOCIAL PROTECTION?
INTERNATIONAL EXPERIENCES**

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Does Discourse Matter?

- Always! For failure and success of social pacts.
 - Not just ideas about changing content since 1980s—under influence of globalization and neo-liberalism
 - Also policy debates, political discussions in interactive processes of negotiation and communication
 - And POWER...not just of *coercion* but of *persuasion*
 - How proceed:
 - define ‘discursive institutionalism;’
 - discuss changing ideas o social protection;
 - discuss discursive interactions in paired cases—
 - LME-UK/Ire; CME-Ger/NL, Sw/DK; SME-Fr/It;
 - EME-Brazil/SAfrica
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How to explain discourse

- Discursive institutionalism
 - Not just ‘what is said’
 - Ideas as policy, program, philosophy;
 - as cognitive, normative; as narratives, frames, practices...
 - But who said what to whom where, when, how, why
 - coordinative in policy sphere; communicative in political
 - Ideational entrepreneurs—ideological, pragmatic, opportunistic—not just top-down but also bottom-up
 - Institutional context—
 - Rationalist incentives, historical path-dependence, sociological culture
 - formal institutional setting—simple/compound; single/multi-actor sector; coordinated or decentralized labor/mgt relations
 - discursive--meaning/logic of communication
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Changing Philosophical Ideas about Social Protection and Social Pacts

- Postwar social democratic settlement
 - Social-democratic/ neo-Keynesian *paradigm* (Kuhn) or ‘great transformation’ through *social counter-movement* (Polanyi)—
 - guarantees for workers on labor rights, wage coordination functions, social protections, assume increase over time
 - Neo-Liberal Challenge bg 1970s w core ideas
 - Belief in competitive markets, free trade/capital mobility, backed by pro-market limited state that promotes labor mkt flexibility, legislates ‘structural reform reduces welfare dependencies,
 - Challenges corporatist relations, pro business to determine wages, working conditions in decentralized labor mkts, labor unions out, w welfare state rolled back to basic minimum
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Phases of policy ideas & programs for reform or work and welfare (EU)

- 1970s/1980s—macroeconomic reform, fiscal consolidation, ‘hard money’ policies
 - 1980s/1990s—focus on work and welfare
 - Work: ease hire/fire, > PT/temp jobs; decentralize bargaining to sectoral & firm levels
 - Welfare: Old vs ‘new’ social risks
 - Old—insiders—focus on welfare, cut rolls, generosity of benefits, cut costs in social services thru marketization...
 - New—outsiders—focus on labor mkt activation (edu, training, employment), work-to-welf for young/long-term unemployed, childcare services
 - Reduce ‘equality of results’ and increase ‘equality of opportunity’
 - 2000s-2010: more active labor mkt policy; Danish model;
 - 2010 Eurozone crisis: EU belt-tightening, ‘structural reform’ for countries in trouble, diff. responses N vs. S, EU ordo-liberalism
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Changing ideas on role of State

- 1980s—‘rollback’ of state pushed by conservative neo-liberals to leave room for markets
 - mid to late 1990s—‘rollout’ of state by social democratic neo-liberals to use state to make markets work better
 - Late 2000s— ‘ramp up’ supranat’l (EU) state to rollback welfare, rollout ‘structural reforms,’ ordo-liberal austerity, restrictive social pacts
 - State transformation= *‘liberal neo-statism’* (Schmidt and Woll)
 - Work: neo-liberalism triumphs
 - US/UK smash unions, not Ire; C/N Eur ‘corporatist managed liberalization’, social pacts for firm competitiveness; Dk vs UK on labor mkt activation policy
 - Welfare: *‘liberal neo-welfarism’* (Ferrera) as new synthesis
 - Soc-dem remains underlying philosophy even as neo-lib policies added; e.g., Scan-- free up mks wo giving up equality/universalism; ‘social investments welfare state
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Discursive processes in social pacts

- Coordinative discourse - processes of construction and agreement on social pacts by policy actors
 - Communicative discourse of legitimization/deliberation on social pacts by political actors w public
 - Best if interconnected
 - ideational leaders:
 - ideological leaders hold to the ideas they seek to institute,
 - pragmatic leaders willing to compromise
 - opportunists are more interested in gaining and maintaining power
 - Institutional context matters:
 - Political economic institutions—liberal, coordinated, or state-influenced—set the patterns and rules of negotiation
 - Single actor/simple polities vs. multi-actor/compound polities
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Liberal Market Economies: UK and Ireland

- Welfare:
 - Thatcher stymied on rollback by opposition of general public—'feckless and idle' vs 'worthy poor'
 - Blair completes Thatcher revolution, rolls out workfare: 'not a hammock but a trampoline,' not 'a hand out but a hand up'
 - Work:
 - Thatcher, once elected, set about destroying any possibility for social pacts coordination—smashes unions in early 1980s
 - Ireland bg coordinative discourses with labor / civil society groups that led to successfully negotiated social pacts (four rooms) until financial crisis, abandoned in 2009
 - Bg w strategic document in epistemic community –facilitated coordinative disc on Ireland's competitiveness in global market
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Coordinated Market Economies: **Germany and the Netherlands**

- Germany: (with social partners)
 - Stalemate overcome in Hartz IV reforms
 - communicative discourse of business, then leaders, but Schröder no normative legitimation;
 - success from pragmatic ideational leadership of ministers...as ‘brokers of ideas’ w reforms balances positive/negative effects
 - Decade of belt-tightening/wage restraint makes for German reluctance on Greek bailout bc ‘we Germans save’!
 - The Netherlands (1st w, then w/o social partners)
 - Lubbers & Wassenaar accord;
 - Lubbers communicative discourse on ‘tough medicine’ for ‘sick country’;
 - Kok on ‘jobs, jobs, jobs’ plus ‘safe-guarding social equity even as they produced liberalizing efficiency ‘
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Coordinated Market Economies: **Sweden and Denmark**

- Sweden—not nat'l coordination, only sector
 - ideas for welfare reform emerged from highly restricted coordinative discourse, social partners unwilling to engage
 - Communicative discourse--decentralized deliberative process -- social-democratic politicians build legitimacy for reform by holding meetings in local communities
 - Denmark—work/welf reform thru national coordination
 - active labor market policies--Dk better able to use firms to bring long-term unemployed into econ, unlike Ger, where firms worked through state to achieve goals of shedding unproductive labor
 - constitution of shifting *ad hoc* political coalitions facilitated the minority Social Democratic government's ability to reform
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State-Influenced Market Economies: **France and Italy**

- Italy: back /forth
 - opportunistic ideolog-divided pol leadership , hindrance to econ dev & pragmatic techn leadership short moments -overcame constraints to liberalize and modernize
 - mid 1990s—EU as *vincolo esterno*, nat'l pride, plus coordinative discourse that goes down to rank and file
 - 2000s—Berlusconi, discourse of neo-liberalism, no delivery
 - Monti—rhetoric and reality...works at first, but problem w reforms
 - France
 - bg with ideologically united (*dirigiste*) techno leadership postwar successfully promoted growth via an interventionist state, then o pragmatic political leadership since 1980s that liberalized as modernized
 - Search for normative legitimizing discourse...avoid neo-lib discourse but reality
 - Juppé failure in 1995 vs Sarkozy success of special regimes...reframe the issue in a communicative discourse that resonated with concept of equality central to French republican tradition
 - Socialists 2013—new renegotiation...flexicurity
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Emerging Market Economies: Brazil and South Africa

- Brazil's reform process led to new and productive forms of coordinative and communicative discourse on work and welfare that helped produce a new sustainable universal social security system based on 'fiscally sound social inclusion'
 - President Lula not only had a persuasive communicative discourse of social justice and economic reform that resonated with the citizens and business. He also created conditions for a coordinative discourse that included labor in the development of policy. a more inclusive policy community, in which a new channel of communication was opened up with civil society, as represented by labor unions
 - South Africa-- sought to create coordinated market economy /corporatism bw business and labor in the 1990s, and failed
 - labor did not buy in despite influence of soc dem ideas circulated by think tanks and experts, coordinative discourse bw gov't and trade unions failed bc labor stuck to its ideas of class conflict, push for 'decent work', and 'developmental state.'
 - So govt compromised by giving unions control over labor policy and increasingly over aspects of industrial policy—result, 'dissipative inclusion' highly dissipative, loss of competitiveness
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Conclusion

- Good ideas and persuasive discourse matter for the building of social pacts on social protection.
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