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Having a Say and Acting: Assessing the effectiveness of the European Employment Strategy as an intra-governmental coordinative instrument*

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Abstract: As the European Union (EU) has strengthened, scholars have emphasized the development of multilevel governance structures and the salience of subnational actors. With the launch of the Open Method of Coordination and the increasing development of non-binding regulations, we must re-consider the potential of this type of governance instrument to serve as an intergovernmental and intra-governmental coordinative mechanism; thus contributing to the development of multilevel governance structures. This paper addresses this issue by focusing on the implementation of the European Employment Strategy and its potential to serve as an intra-governmental coordinative instrument. I argue that this non-binding instrument does informally (de facto) influence intra-governmental relations in member states. In addition, subnational actors have transferred many of these soft principles to lower levels of government. These propositions are explored using data gathered in the EU, Spain, Belgium, and Sweden at both the national and the sub national levels.

Keywords: employment policy; governance; multilevel governance; open coordination; policy coordination; social policy; soft law; Belgium; Spain; Sweden; political science

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1. Introduction

As the European Union (EU) has strengthened, policy-making and implementation unfold within a complex web of relations and levels of government. Given the development of a multi-tiered system and the promotion of governance structures, debates about the consequences of European integration on the institutional structures and balances of power of member states have become increasingly salient. Most studies on the influence of European

integration on the aforementioned dimensions are grounded in the assumption that the EU uses legally binding instruments to affect domestic settings (i.e. the Community Method). In this context, some authors (Börzel 2002) have noted that subnational levels of governments have had to 'pay' the costs of implementation without often having much 'say' (participate in decision-making processes at the national and/or supranational levels). By contrast, others have emphasized the empowerment of subnational levels of government and the creation of a European system of multilevel governance (c.f. Hooghe and Marks 2001).

With the introduction of the Open Method of Coordination (OMC) and the increasing launch of non-binding rules, we must examine the potential of this governance instrument to (further) develop multilevel governance structures. Given the non-binding nature of the OMC, we should ask: Do national levels of government dominate these scenarios? More precisely, do they bring in subnational actors into the process of reporting and implementing EU soft mandates, even if there is no obligation and no sanctions for not doing so?(1) Are these soft principles transferred to regional and/or local settings? This paper answers these questions by assessing the influence of the European Employment Strategy (EES) on intra-governmental relations and on subnational labour market policy (LMP) initiatives.

Even if these questions have been overlooked by many working on the OMC, Europeanization and multilevel governance, the effect of this soft governance instrument on intra-governmental relations is not a trivial issue (c.f. Heidenreich and Zeitlin 2009; Büchs 2008; Kröger 2007). First, when it comes to the development of multilevel governance in Europe, supranational non-binding regulations could be influential instruments as they are modelled after a 'horizontal' model of governance (e.g. development of partnerships, promotion of inclusive strategies among multiple levels of government) (see Schäfer and Leiber this issue). By contrast, if the process is strictly dominated by supranational institutions and national levels, then the effectiveness of the OMC as a governance instrument would be challenged, especially if we refer to the possibility of "decentralized participation by stakeholders" (Eberlein and Kerwer 2004: 133). Second, lower levels of government are mainly responsible for giving effect, managing, and delivering LMPs, especially in an era of decentralization and devolution (Büchs and López-Santana 2008). New opportunities for intra-governmental coordination – 'national-subnational' and 'subnational-subnational' collaboration – potentially strengthen the implementation of OMC policy principles. In addition, more intra-governmental communication can help to overcome common problems associated with policy-making and implementation, such as information gaps, policy inconsistencies, and/or policy duplications. Finally, collaboration could lead to experimentation and policy innovation.

In this context, the participation of subnational entities in the implementation of the EES is a key dimension that should not be disregarded, especially if we are interested in assessing its effectiveness and its potential as a multilevel governance instrument (2). For the purpose of this paper, I mainly pay attention to the first component of the notion 'multilevel governance'. Namely, I use it to refer to the linkages among of various levels of government (i.e. supranational, national and subnational) in various stages of policy-making and implementation. Even if this paper does not examine the actions of member states at the supranational level, it depicts the EES as a supranational input which influences policy-making and governance processes at various levels of government(3). In this context, the paper explores the potential of this supranational soft instrument to serve as an intra-governmental coordinative mechanism.

This paper is structured as follows. The next section presents background information on the territorial dimension of the EES. The subsequent section develops my conceptual framework. Then, section four presents the three case studies. Finally, section five puts forward the main conclusions and implications of this study.

2. The activation of subnational actors: the case of the EES ↑

After the launch of the EES in 1997, its implementation mainly relied on efforts by the

Commission (hereinafter, CEC) and national governments. But as part of a broader commitment to the reform of European governance, in 2001 this supranational body recognized the importance of subnational participation and mobilization (CEC 2001a, 2001b). Within the framework of the EES, such project aimed to include enterprises, social partners and all levels of government – local, regional, national, and European – in the creation of jobs. The involvement of these actors sought to reduce implementation deficits and develop governance structures in LMP. In addition, the promotion of subnational participation by the EU was partially grounded in the idea of decentralization being an institutional solution to the problem of unemployment.

To bring in lower levels of government and societal actors, the CEC requested member states to diffuse the EES to the entities closest to citizens. Yet, member states expressed their opposition to the development of the local dimension of the EES, and alternatively agreed to include relevant actors in the field of employment at national and regional levels that could have important contributions to make. Accordingly, the 2000, 2001 and 2002 Employment guidelines emphasized the development of the subnational dimension. The EU also encouraged the participation of subnational actors in the implementation of the EES through the horizontal priorities of the European Structural Funds (ESF). For instance, it funded the ‘Acting Locally’ campaign and developed local pilot programmes which created ‘Local Action Plans for Employment’. The local dimension of employment also became a priority in the 2000-2006 structural programmes of the ESF, thus increasingly linking the EES and ESF by making the latter the ‘financial arm’ of the EES(4). This meant that ESF funds were somewhat conditional on the implementation of the EES. In these scenarios, the participation of lower levels of government was seen as essential given that they are responsible for ‘making policy happen’, especially when we refer to strategic decisions regarding active LMPs and employment. For example, Public Employment Services (PESs) are managed by subnational and local entities. Finally, the likelihood of non-binding regulations affecting domestic policies increases as private and public actors (at various levels of governments) get involved (thus, making the process more open, participatory, and inclusive).

These initiatives were part of EU’s commitment to reforming European governance and diminishing the democratic deficit. Yet, the CEC did not provide precise guidelines on how to involve lower levels, mainly out of respect to the notion of subsidiarity. The following quote from an interviewee conducted at the CEC illustrates the implications of the notion of subsidiarity and the soft nature of the EES:

Interviewee: “There is not a straight answer [about how to include the local level] because we have no competences in terms of the municipal and local arrangements of member states, and those arrangements are extremely varied. There are countries that do not have a regional structure. In other countries, the balance of power and the relationship between the subnational and the national levels is sort of a political controversy, and in some other it is not.

Interviewer: To what degree is the EU pushing for a local strategy?

Interviewee: We start with words of caution, saying ‘hey, we are not telling you how to run your business. You have different arrangements. There is no one strategy fits all’. So, there is a contradiction between letting the local levels have to do something with the EU, and at the same time decentralizing. If we start providing instructions about local strategies, there is a contradiction about letting the local actors decide.

What we try to encourage is the establishment of Local Action Plans by exchanging experiences, benchmarking, and dissemination. By saying, ‘these students did well in some areas. You might as well use it’. And also, saying unambiguously that we have a responsibility for the implementation of the EES. Therefore, we have the right to know what happens locally and how it affects the local level. We have quite a lot of financing of innovative projects for local

actors, so they can be evaluated, assessed and disseminated” (Interview, CEC 2003).

Faced with these EU recommendations, member states had various options. They could:

1. ignore them, then national levels would strictly dominate the EES process;
2. alter their informal (de facto) institutions and policy-making process to accommodate subnational levels; or
3. change their formal/legal (de jure) institutions to formalize the participation of subnational levels.

Accordingly, I ask: Can we consider these EU recommendations effective? What has been the influence of these developments on intra-governmental relations? Are these soft policies transferred to subnational levels? To start addressing these questions, the following section provides a theoretical framework to evaluate these scenarios. This, in turn, will help us to assess the effectiveness of the EES and its potential to serve as a coordinative instrument sustaining the (further) development of multilevel governance structures.

3. Having a say and acting [↑]

As noted in the introduction, this paper addresses whether the implementation of the EES has enhanced or created new ‘national-subnational’ and ‘subnational-subnational’ coordinating initiatives, arenas and relationships. The first step in this exercise is to distinguish between two different sources of subnational participation:

1. having a say: the inclusion of subnational actors in national arenas (e.g. ministerial, executive, parliamentary, non-governmental); and
2. acting: ‘national-subnational’ and ‘subnational-subnational’ initiatives to diffuse or implement in this case the EES.

‘Having a say’ and ‘acting’ can result in new dynamics and patterns of intra-governmental collaboration and coordination. As it will be clarified below, ‘having a say’ entails the creation of national spaces, at a minimum, to communicate and collect information from various actors, including subnational policymakers (refer to the definition of reporting below and [Figure 1](#)). In the case of the EES, subnational actors should, at least, have a say when member states draft their national reports. Yet, ‘having a say’ is not a uniform event across countries as there are different degrees of subnational participation. When weak intra-governmental communication and coordination is a salient problem, ‘having a say’ can help to overcome implementation deficits and/or policy gaps as it allows subnational actors to participate in policy-making spaces at the national level. In other words, ‘having a say’ can help subnational governments to ‘act’. In the case of the second dimension and as it will be explained below, domestic actors can create local action plans and/or use the EES guidelines to structure LMP and projects at subnational levels, for instance. In this way, subnational actors could engage in various activities to diffuse and implement these EU soft principles.

To understand how (in which capacity) lower levels can have a say at the national level and to interpret cross-national findings, scholars must capture the nature of intra-governmental relations in a state. This is defined by the existing de jure institutional structure of a member state (e.g., federal, unitary), and the informal (de facto) division of intra-governmental responsibilities and coordination patterns.

More specifically, I characterize this variable as a continuum verging from ‘no involvement’ of subnational entities in LMP national activities to ‘shared decision-making’. Before moving on, the concepts illustrated by [Figure 1](#) must be clarified as they represent various ways in which having a say can take place:

1. Reporting refers to the act of presenting and displaying data and information at the national level for management purposes, such as spending and implementation records and progress reports (for example);
2. Consultation is a process of discussion and idea-sharing between levels of government. It does not entail approval of subnational bargaining positions, nor shared decision-making. In this case, lower levels are involved in the planning phase of policy-making so central governments can gain insights about local contexts;
3. Bargaining is similar to consultation, but it entails more power to the subnational entities. In contrast to consultation, where subnational actors do not necessarily win from coordination, bargaining should be a positive-sum game because subnational levels have the ability to affect national policy in some way or another. Bargaining should be seen as a component of shared-decision making, but not the other way around, as under bargaining subnational levels are not equal to the central government (e.g. lack of formal representation at the national level);
4. Finally, under shared-decision-making both levels of government are considered equal as subnational levels have formal and guaranteed access to bargaining and decision-making.

Figure 1

When applying this typology to the analysis of the EES, we should capture whether we observe shifts (de jure or de facto) towards ‘the right’ on this continuum. If one believes that the EES is too ‘soft’ to influence intra-governmental dynamics, we would not expect a significant shift. Yet, in the following sections, I show that the interactive and iterative process of reporting to the EU level has provided a window of opportunity and an incentive for national levels to create spaces where subnational levels can ‘have a say’, thus contributing to a de facto shift in intra-governmental relations to the ‘right’ (refer to Figure 1). In this way, I argue that the EES does have a coordination effect. Of course, after the implementation process, all states will not end up in the same place given that pre-OMC member states had different types of institutional structures (e.g. unitary vs. federal states) and intra-governmental relations. Domestic institutions, therefore, filter the influence of the EES (i.e. how far they move towards the ‘right’ in this continuum).

As aforementioned, we must also capture new subnational schemes linked to the launch of the EES (act). By presenting various examples of acting in Belgium, Spain and Sweden, I seek to illustrate how the EES policy principles are being diffused and implemented by lower levels of government. Thus, these examples help us to assess the effectiveness of the EES as subnational levels are mainly responsible for implementing and giving effect to policies. In other words, ‘acting’ enhances the multilevel governance of the OMC given that other actors than the national and supranational levels, especially those closer to citizens, are being active within the EES framework.

In the context of the EES, as it will be shown in sections 4.1 through 4.3, the nature of acting has taken many shapes including the creation of local action programs, regional and territorial pacts and partnership programs. When referring to the factors driving these subnational initiatives, acting is characterized by two scenarios:

1. self-motivated subnational acting, and
2. acting driven by incentives.

In the first case, lower levels of government create initiatives to implement and/or diffuse the EES because they might want to ‘act’ out of good will, or because they absorb these principles and perceive EU guidelines as an important step to increase employment or to be competitive, for instance. In these scenarios acting is a self-motivated act, not an incentive-driven event. By contrast, in the second case acting is driven by a set of tangible incentives, such as the transfer of national or supranational funds, expertise and/or resources to subnational authorities. In this context, the role of ESF funds cannot be overlooked. More specifically, to explain the nature of LMPs and initiatives launched by subnational levels since the late 1990s, it is vital to

acknowledge the links between the EES and these EU funds as they have played a significant part in the diffusion and implementation of the EES by subnational levels. The ESF needs to be conceptualized as the financial arm of the EES, and these supranational resources represent a tangible incentive to act. Therefore, an assessment of the effectiveness of the EES (and other OMC processes) must incorporate the ESF as part of the story; otherwise, the independent influence of the EES will be overestimated.

Before presenting the main findings, the following point must be addressed –methodologically and empirically speaking: How should we conceptualize the impact of the OMC on domestic structures? Elsewhere I have argued that it is not realistic to assume that there is a linear relationship between the launch of soft law and domestic changes (see Vanhercke this issue; see Weishaupt this issue). Rather, I view the OMC as driving a ‘framing effect’ (vs. linear causality) which

“persuades domestic policymakers to reflect on soft European prescriptions and then construct their proposals within the limits of these frameworks [...] Therefore, the EES expands the courses of action available to policymakers by providing information and opening new spaces for cooperation, while simultaneously restraining their options by framing good and bad policy” (López-Santana 2006: 494).

When it comes to the aforementioned role of the ESF, these EU resources amplify the framing effect of the OMC as domestic actors have an additional incentive to adjust their policies, and patterns of coordination and behaviour (see Weishaupt this issue). Hence, I am not claiming that the EES causes subnational actors to ‘have a say’ and/or ‘act’. Rather, I sustain that when studying member states’ LMPs debates, actions, policies and reforms, since the late 1990s, we must include the important framing effect of the EES.

4. Empirical findings ↑

Having developed the theoretical framework, this section presents the Belgian, Spanish and Swedish experiences. The data presented here come from official documents and from more than 75 interviews conducted in the EU and these countries. From June of 2002 to December 2003 and in the summer of 2008 (in the case of Spain), I interviewed high-level civil servants, officials of trade unions and employers’ organizations, attachés from the national permanent representations and academic experts. In addition, I conducted interviews with civil servants and policymakers at regional levels in Madrid, Seville, and Brussels.

The three member states vary in their institutional structures. These differences are important to assess how soft law influences intra-governmental relations. Sweden is a unitary state in which the national level dominates decision-making and the creation of LMP. Spain is a de facto federal state in which the national level tends to overrun subnational entities. Finally, Belgium is a federal state in which the national and the subnational levels are considered equal to each other and the latter have competencies over many aspects of LMPs. Having briefly outlined the sources of data and the case selection, the first part of this section presents the Belgian case.

4.1. Belgium ↑

Belgium has a very distinctive and complex federal structure which reflects its linguistic and cultural composition. Its dual federalism entails a ‘horizontal’ nature of intra-governmental relations in which:

1. competences are exclusive,
2. all units are equal to each other, as far as the equality of legal norms is concerned, and

3. the federal level cannot overrule the legislations of the federated entities.

In the case of welfare policy and LMPs, competences cut across various levels of governments – the federal level is responsible for social security and unemployment insurance, whereas the regions are in charge of job search assistance, training and delivering active LMPs (these activities are funded by the federal level). Despite this division of competencies, frequent intra-governmental coordination was not the dominant rule (as indicated by many interviewees). In this way, before the introduction of the EES, the nature of subnational participation in national activities related to welfare and LMPs was placed at the left side of the continuum somewhere between reporting and weak consultation (see [Figure 1](#)).

A key finding in the case of Belgium is that the creation of the National Action Plans/National Reform Programmes (hereinafter, NAPs) has represented a window of opportunity for frequent intra-governmental communication, consultation and coordination among various levels of government. More specifically, representatives of the three levels of government (federal, regions, and communities) have regularly met to discuss the European guidelines and to gather information about subnational developments at the ‘Federal Public Service for Employment, Labour, and Social Dialogue’. Throughout the years, this administrative routine became a new, significant space for ‘national-subnational collaboration’. As the years have passed, national-subnational collaboration on the EES has strengthened through the creation of NAPs and other activities related to its diffusion and implementation (c.f. Verschraegen et al. 2008). For instance, in Belgium 79 percent of the interviewees claimed that the EES improved internal coordination, especially between levels of government(5). In these scenarios, the federal level had an incentive to involve the federated entities in national scenarios and reduce its role as a gatekeeper given that it is directly accountable to the EU (not the regions) on the OMC – even if welfare responsibilities are spread out across the territory.

However, this was not a smooth process as the Belgian institutional landscape represents an obstacle to the implementation and diffusion of EU policies (both hard and soft). The ESF and the CEC recognized these challenges by funding in 2000 the ‘ESF-NAP Impact Assessment Cell’ (ENIAC) – a cell to improve the coherence of ESF programs run in Belgium and to strengthen the links between the EES and the actions of the ESF among levels of government. ENIAC attempted to overcome the problems associated with weak intra-governmental coordination by creating new opportunities for federal and federated policymakers to cooperate and coordinate on LMPs (Verschraegen et al. 2008; Brussels Observatorium van de Arbeidsmarkt en Kwalificaties 2003). Thus, the creation of this organization by the EU serves as an indicator of the low levels of collaboration and coordination among levels of government in Belgium (previous to 2000). However, legally speaking, by 2006 ENIAC ceased its operations. To explain this action some have referred to this institution as an intrusion of the EU and/or the federal level on federated matters. Nonetheless, some have argued that despite its formal dissolution it created an informal space and a habit for recurrent intra-governmental coordination based on trust, which still persists (Interview, expert on Belgium 2008)(6).

As aforementioned, the EES has represented a new opportunity for the regions to have an active ‘say’ at the federal level, to coordinate with other regions, and to learn to trust the federal level. For instance, policymakers in Brussels viewed the drafting of regional plans as an exercise to prepare for the creation of federal NAPs, whilst national policymakers viewed regional plans as an opportunity for the regions to showcase their success. This, in turn, provided the federal level with an opportunity to oversee LMPs across levels of government.

These developments, in turn, have informally (de facto) shifted the nature of subnational participation in national matters related to LMPs in the direction of ‘bargaining’ (c.f. Gerven and Beckers 2009; Hamel and Vanhercke 2009). Verschraegen et al. (2008) argue that the signs of this de facto shift in intra-governmental cooperation were manifested through the increase of cooperation agreements between levels of government on welfare policies (federal-regional and regional-regional). Although some might interpret this as a strategy of the federal level to intervene in regional matters (and undermine their competencies), the collected data do not point to this matter. Rather, the findings suggest that both the federal level and the regions

benefited from these informal collaboration spaces, especially if we take into account that:

1. active and passive LMPs are two pieces of the welfare puzzle;
2. employment is not only a regional good, but also a collective one;
3. unemployment does not only affect a particular region but other regions, and the whole country (mobility and negative externalities);
4. regions are dependent on federal funding; and
5. the federal level is directly accountable to the EU.

In this way, we should not only take into account the ‘national-subnational’ dimension, but the ‘subnational-subnational’ aspect of collaboration and coordination that takes place by the creation of federal collaborative spaces.

Besides having a ‘say’ at the federal level, all three regions have launched multiple programmes which followed the principles of the EES. These instances of acting are relevant because these programmes help to diffuse to the regions the EU soft policies and prescriptions; thus, increasing the likelihood of implementation. The region of Brussels created ‘Regional Action Plans’, Flanders launched the ‘Pact of Vilvoorde’, whilst Wallonia introduced its own ‘Marshall Plan’ (Brussels Hoofdstedelijk Gewest 2003a; 2003b). These regional plans included targets and regional benchmarks, which were grounded in the EES and other Lisbon processes. The Brussels region also created ‘Social Pacts’ and a ‘Contract for the Economy and Employment’ (2005) to reduce unemployment by creating jobs and redeploying the region (7). Both projects followed the EES policy principles, and the latter initiative was funded by the ESF.

In addition, the regional governments established their regional monitoring mechanisms to oversee the implementation of EU soft processes. They also launched Territorial Pacts for Employment (e.g. Flanders: Halle-Vilvoorde, Tongres-Haspengouw; Wallonia: Hennuyer Bassin, West-Brabant). These pilot programmes, created by the CEC in 1996 and later integrated to the 2000-2006 ESF programming, followed the EES policy framework as they sought to mobilize important public and private actors to combat unemployment at the regional level. These findings suggest that the majority of the activities related to ‘acting’ were driven by EU by incentives; therefore, illustrating the argument that to capture subnational initiatives to ‘act’, it is essential to highlight the intervening role of the ESF.

To conclude, in Belgium the EES provided a new opportunity for federal and federated policymakers to cooperate and coordinate with each other on LMPs; thus, informally (de facto) shifting the nature of intra-governmental collaboration from reporting/weak consultation in the direction of bargaining. The EES have had noteworthy consequences on intra-governmental coordination, especially if we take into account the claim posed by many interviewees that before the introduction of the EES there was limited intra-governmental communication and coordination. Furthermore, driven by the resources and incentives provided by the ESF, subnational levels have brought back home these notions and have ‘acted’ by launching policy and collaboration programmes, which were in line with the EES.

4.2. Spain

Spain is a regionalized state, which is increasingly moving towards federalism. This tendency became even more pronounced after 1997, the year in which the EES was launched, when agreements to decentralize active LMPs and training to the Comunidades Autónomas (CAs) were created. Therefore, the CAs have become increasingly powerful since they organize, manage, distribute, and implement many aspects of LMP; yet, the national level retains the power to dictate the legal framework. Under this intra-governmental hierarchical model, competencies are shared and subnational policies must fall within national standards. In Spain, “[S]haring competencies does not necessarily entail joint action of the two levels of government. Rather, the central state authorizes the CA to ‘share’ its powers by developing and implementing its framework legislation (legislación básica). The central state legislates

without the participation of CAs. The CAs implements central-state decisions without the central government being able to intervene. The constitution does not provide any mechanisms of coordination the exercise of shared competencies” (Börzel 2002a: 94). With the exception of the irregular Conferencias Sectoriales (the main pillar of intra-governmental coordination), which were not legalized until 1996 (on gender issues) and 1997 (on labour issues), there were limited spaces for levels of government to communicate and coordinate on LMPs. This meant that before the launch of the EES, the nature of the intra-governmental coordination was extremely weak – somewhere at the far left of the continuum (see [Figure 1](#)).

In Spain, interviewed policymakers generally agreed with the idea that the introduction of the EES added cohesion, structure and clearness to the policy-making process. Throughout the process of drafting the NAPs, representatives of the CAs had a new space to have a ‘say’ in national arenas as they participated at least five times per year on matters related to the EES and, in addition, they approved the reports. Consequently, the task of reporting to the national level to draft the NAP opened new spaces where national and subnational organizations gathered to discuss the EES and their LMPs (c.f. Mailand 2008). These activities have promulgated a ‘unity’ vision allowing national and subnational actors, as one interviewee noted, to “be aware of the actions taken by different ministries and different general organizations [...] they can be subnational levels, and even local, and we are able to see the coherences and incoherencies of the different actions” (Interview, Spain 2003, author’s translation). For instance, through the task of CAs reporting their LMPs budgets to the national level to draft the NAP, it became evident that intra-governmental coordination was ineffective – both levels of government spent often a significant amount of money on the same type of policies and target groups(8).

Within this context, many interviewees argued that ‘having a say’ structured the process of devolution. Based on their views, the EES created targets, common points of reference and an overall strategic LMP plan. Moreover, it provided national and subnational actors with an additional space to the Conferencias Sectoriales to informally coordinate the transfer of LMP competencies. As one interviewee put it: “The EES has been an important instrument for the CAs and the national government since it allowed us to say we agree on transferring active LMPs to the CAs, but we must maintain a policy unity and a common strategy” (Interview, Spain 2003, author’s translation). Thus, the NAP represents a national strategic plan to set national policy objectives and budgets, which provides a reference point for policy-making and evaluation across levels of government.

From the point of view of the interviewees at the Community of Madrid, the EES enabled subnational levels to justify and claim further decentralization, as well as their key role as formulators and managers of active LMPs. This is particularly important if we take into account the Spanish hierarchical model of intra-governmental relations. The 2003 Spanish ‘Employment Act’ (which followed the tenets of the EES) strengthened these patterns as it promoted and established coordination mechanisms among PESs by including representatives of the CAs in these debates. More ‘say’ at the national level points at a gradual (de facto) shift in the nature of intra-governmental relations (see [Figure 1](#)) – from no/limited involvement to consultation. All in all, having a ‘say’ by being actively consulted has been beneficial to intra-governmental relations because the following patterns have tended to be the norm in Spain:

1. multiple bilateral agreements between the national government and the CAs;
2. weak institutional spaces for intra-governmental cooperation; and
3. strong competition among the CAs.

When referring to ‘acting’, the EES has supported the ‘territorialization’ of LMPs in Spain (Rocha Sánchez 2005). For instance, after the re-launch of the EES in 2005, the national government asked the CAs to draft their own ‘Regional Reform Programmes’. These initiatives promoted better and frequent coordination, and sought to make CAs active actors in the framework of the Lisbon Strategy (Spanish National Reform Programmes 2006: 1). In addition, to spread the new EES message, the national government organized workshops in several CAs.

As in the Belgian and Swedish cases, but even more notable in the case of Spain, acting is primarily grounded in the incentives provided by the ESF to lower levels, including the launching of LMPs pilot programmes to implement the policy principles of the EES. The Pléyade Project “The Diffusion and Implementation of the EES in the Local Ambit”(9) is an example (among others) of ‘acting’(10). It sought to activate local entities and improve their employment situation by providing them with financial and technical resources to analyse and evaluate their LMPs and institutions. The participating municipalities drafted their own ‘Local Employment Action Plans’ which were modelled after the EES. The project encouraged territorial, administrative and social concertation. In other words, the Pléyade Project was very much grounded in the notion of partnerships because it promoted the creation of networks to better manage LMPs at the local level. In addition, as in the Belgian case, CAs have created their own Regional Action Pacts for Employment (Rocha Sánchez 2005).

To recapitulate, in the process of drafting and implementing the EES, in Spain national coordinating spaces have been created where subnational entities have had a ‘say’. This new collaborative opportunities reinforce and aid the ongoing process of devolution of LMPs. The implementation of the EES, thus, serves as a European and national instrument to coordinate LMPs across jurisdictions. These developments are noteworthy given that in this country there are no formal intra-governmental mechanisms to exercise shared competencies. Thus, within the overall framework of devolution, we must take into account the EES as it has played an important role in the overall shift of intra-governmental collaboration – from ‘no/limited involvement’ in the direction of ‘consultation’. In this way, in Spain the EES serves as a (overlooked) policy-making “elaborated mechanisms for resolving intergovernmental disputes in devolved systems” (Keating and McEwen 2005) given that it helps to overcome coordination problems and information gaps.

4.3. Sweden

In Sweden, LMP has been a prerogative of the national government and the social partners. Under this institutional framework, local authorities are the main administrative structures that work under the policy model imposed by the central level. More specifically, the national ministry of labour delegates the implementation of LMPs to an executive agency (the Swedish National Labour Market Administration), which is responsible for managing and implementing these policies. At the county and municipal levels, the County Labour Boards and the PESs (under the umbrella of the aforementioned agency) deliver these policies to citizens. This means that subnational actors do not participate in decision-making at the national level as they are mainly ‘agents’ of the latter entity. In this way, before the launch of the EES, the participation of Swedish subnational authorities was even more limited than in the Spanish case – thus, placing their participation at the very far left of the continuum (see [Figure 1](#)).

When it comes to the creation of Swedish NAPs, the peak organizations representing subnational governments at the national level – the Swedish Federation of County Councils (SFCC) and the Swedish Association of Local Authorities (SALA) – have had an active ‘say’. The interviewees from these organizations viewed the process as a valuable experience since it provided them with a new tool for better interactions with other national (e.g. social partners) and subnational organizations. In addition, it allowed them to highlight the role of local organizations in LMPs. For instance, an interviewee said:

“Now we have more links with other actors. We have started to discuss via the NAP process the linkages and many areas that are much more important than they used to think. Sweden has a very sectorial system and you try to solve a problem within its field of operation. Now we have some kind of instrument to discuss how to go about what is the link to what, and how to solve situations as a whole making the local parliament more important, to make them have a broader view of what is going on at the local area. And then you have better instruments to find out what your sphere of interest is and how to solve things” (Interviewee, Sweden, October 2003).

Yet, regional and local governments have not had an active ‘say’ at the national level (Vifell 2009). Given the Swedish institutional (centralized) structure, these entities were primarily seen as managers and implementers of LMPs. Thus, the perception was that lower levels of government should not be active in early stages of policy-making, such as policy creation and formulation, or in this case in the creation of NAPs. Nonetheless, throughout this decade, this picture of subnational governments has been increasingly challenged (e.g. Regional Growth Agreements) (Svensson and Östhol 2002; Hudson 2005)(11). Even if these lower levels have not had an active ‘say’, national and the subnational levels have created specialized projects to diffuse (act) the EES message and to coordinate the implementation of other ‘soft’ processes (Swedish National Reform Programmes 2007). For instance, 54 percent of the Swedish interviewees referred to the notion of the EES serving as coordinating mechanism, which influenced domestic collaborative dynamics.

In addition to writing a pamphlet and designing a web-based training programme to disseminate the EES policies, in 2001 SALA carried out a ‘Local Action Plan’ programme, which was partly financed by the CEC. The final report of this project emphasized:

1. the development of partnerships and networks, i.e. meeting other people who work on the same policy issues and establishing working relations;
2. the opportunity to learn about ‘European LMP’ and targets; and
3. exchanging practices (Swedish Association of Local Authorities and Swedish Federation of County Councils 2001)(12).

At the national level, the ‘Local Action Plan’ project allowed this peak-organization to assert the key role of subnational levels in LMP. Moreover, it reinforced the need to include lower levels in decision-making and policy-making processes. Most importantly, the call for horizontal cooperation by the EES has provided the SFCC and SALA with a tool to claim their space and their role at the national and European levels. For example, the preface of the final report of the LAP project states:

“The Swedish LAP project wishes to point out that it is not enough only to acknowledge the importance of the local level, one must also give municipalities and regional bodies the mandate and tools to work with. [...] Therefore, local bodies must in collaboration with other parties—not at least the local trade and industry—receive actual opportunity to, in accordance with the EES, develop their own action plans. The Lap-project is welcoming the fact that the Commission is emphasizing that partnership shall be encouraged on all levels and the parties of the labour market as well as regional bodies and representatives of the civil community shall be given the opportunity to contribute” (Swedish Association of Local Authorities and Swedish Federation of County Council 2001).

As in Belgium and Spain, the ESF has also funded various local programmes (e.g. Västerbotten, Jönköping, Östergötland) to put the EES into practice through cooperation among the stakeholders. These developments represent the beginning of a series of attempts by national and subnational actors to generate partnership structures and policy networks to ‘act’ on the EES and other Lisbon processes. For instance, a number of Swedish local municipalities launched (on a voluntary basis) projects to develop local initiatives for growth and employment in line with the Integrated Guidelines and the Lisbon targets (Swedish Reform Programme for Growth and Employment 2005–2008). Examples of ‘acting’ initiatives are the:

1. informational campaign on the EES launched by the national level to diffuse the EES message;
2. ‘pilot county’ programme (organized by the Regional Association of Sörmland); and
3. ‘Reaction to Action’ seminar (organized by the Regional Council of Sörmland, the Stockholm Region, the EU network, and the Lisbon Regions Network) on the implementation of the Lisbon Strategy at the local and regional levels.

In the case of the first example, the national level created informational pamphlets and a ‘magazine’ (Jobben, or Jobs) to inform various actors about the EES. In addition, the national ministry organized seminars at the subnational levels to inform policymakers about the policy goals of the EES and various types of strategies to implement them. In the second case, this regional association sought to communicate and integrate the national employment programmes and the objectives of the Lisbon Strategy at the regional and the municipal levels.

The national government has also concluded local development agreements with the metropolitan municipalities to boost employment and reduce the number of people in need of social assistance. All in all, in 2004 there were 11 regional and 50 local agreements stemming from central agreements, and another 80 were in preparation to (for instance) include migrant workers into the labour force (Swedish NAP 2004). These ‘national-subnational’ developments fit within the doctrine of various Lisbon processes, including the EES. The need to actively involve subnational actors was especially emphasized in the 2005 and 2006 national programmes, and in the latter year the national government announced that it would present a coherent strategy to strengthen governance and dialogue between various levels. These initiatives culminated in the creation of a national forum to increase local and regional influence and responsibility:

“[T]he Government has established a national forum for regional competitiveness, entrepreneurship and employment to further develop the dialogue between national, regional and local levels on regional growth issues. [...] It is based on a shared responsibility between the regional and national levels for regional development, which requires a political dialogue and a shared view and understanding of important development issues. [...] one these forums will specifically consider the implementation of the Lisbon Strategy at the regional and local levels” (Swedish National Reform Programme 2007).

To review, in this centralized country, where subnational levels are (mainly) implementers and managers of LMPs, these entities did not have as much of a ‘say’ as in the other two member states. In this way, with the exception of the important role played by SFCC and SALA, it would not be accurate to argue that the implementation of the EES has significantly shifted the nature of intra-governmental collaboration (as it has been the case in Belgium and Spain). Yet, in Sweden, the EES opened a window of opportunities for ‘national-subnational’ and ‘subnational-subnational’ collaboration on LMP issues, which consequently sparked a discussion about the role of subnational entities in political and economic matters and to ‘act’. In this case, the incentives provided by the ESF have pushed for a bottom-up perspective of policy-making. The evidence supports the notion that national and subnational levels have recognized the importance of diffusing and implementing the EES principles and of activating subnational actors. Even if all these developments have the potential to challenge institutional balances of power, they do not seem very threatening given that ‘societal collaboration and concertation’ is an intrinsic part of dominant political arrangements. Hence, these initiatives do not undermine, but reinforce Swedish corporatism, its consultative political culture, and its active welfare state.

To wrap up the case studies, [Table 1](#) summarizes the findings presented in this section. First, the reader should note that the fifth column highlights the shifts in the nature of ‘say’ in each country. More specifically, I argue that in Belgium and Spain we see a de facto shift to the right in the continuum presented in [section 3](#) (see [Figure 1](#)). Second, the last column of [Table 1](#) shows that the three countries launched ‘Local Action Plans’ and subnational pacts to diffuse and implement the strategy. As noted in [section 2](#), these initiatives were partly funded by CEC and the ESF. Thus, the financial incentives provided by the EU played a key role in driving these ‘acting’ initiatives.

Table 1

The following section concludes by retaking the questions posed in the introduction: Do national levels of government dominate the OMC? Or, do they bring in subnational actors?

Can subnational levels ‘have a say’ and ‘act’ under the EES?

5. Conclusion and implications

The evidence presented in [section four](#) shows that even if national ministries have initially acted as gatekeepers, in Spain and Belgium subnational levels have had an active ‘say’ in national spaces dedicated to the EES. In Sweden this trend is somewhat relevant, but to a lesser degree. Yet, lately various ‘acting’ initiatives have been initiated in this country. In the three countries, the consultative and coordinative framework of NAPs increased the frequency of interaction, thus, influencing the de facto (informal) nature of intra-governmental relations on issues linked to LMPs. Subnational actors, in turn, have been able to claim their role as key actors in LMPs. In this way, the EES has acted as an intra-governmental coordination instrument.

Furthermore, in the three cases, the launch of innovative regional and local LMP initiatives (along the lines of the EES) shows that this governance instrument is not irrelevant at lower levels of government. For instance, subnational actors have ‘acted’ by creating regional/territorial Plans, which incorporated the EES policy principles (see [Table 1](#))(13) . ‘Subnational-subnational’ developments proved to be also significant as they allowed subnational actors to be directly connected with the soft EU policy principles, while also experimenting with new policy ideas by creating partnerships and policy networks. It is worth noting that the majority of these developments are driven by the incentives (resources) provided by the ESF and have not tended to be ‘self-motivated’ in nature. Based on these findings, first, I conclude that the chances of lower levels experimenting with soft governance instruments increase when they are accompanied by tangible incentives (financial and technical) (in addition see Weishaupt this issue). These propositions mirror work on the development of multilevel governance structures in the pre-EES era (Hooghe and Marks 2001; Conzelmann 1998) and on intra-governmental dynamics in multi-tiered systems. For example, Peterson (1995:13) argues that in the United States “most national efforts to influence state governments come in the form of federal grants”.

Second, it is important to recognize that in all three countries the de jure (formal) institutional set up shaped and filtered the nature of saying. This is an important factor to understand why stakeholder participation on the OMC remains uneven (Büchs 2008: 776). In centralized states (Sweden), the subnational levels were less involved in saying than in regionalized and federal countries. I assert that these events are not insignificant as, when engaged in cross-national comparisons, we must address both absolute (how much a member state has changed given its departure point) and relative (one country vs. another/others) effects of the EES. This, in turn, will allow us to thoroughly analyze the individual and collective effectiveness of such governance instrument.

Finally, the findings suggest that ‘having a say’ and ‘acting’ support the development of new intra-governmental routines and subnational governance structures. Even if national actors acted as gatekeepers, which for the most part is no different from other areas ruled by hard law, these processes have evolved in a way that have allowed for: informal communication and more collaboration among various levels of government, the creation of partnerships, and for policy experimentation by lower levels of government. A relevant implication of these findings is that the OMC has the capacity to boost the development of multilevel governance structures. This is so because national and subnational actions and LMPs are increasingly enmeshed in this supranational soft framework and a set of multi-tiered policy networks. Still, as shown in this paper, the influence of these soft instruments is enhanced when the EU ‘shows the member states the money’.

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Endnotes

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(1) The notion of 'subnational' refers to the levels of government below the central level.

(2) On other dimensions, for instance, see López-Santana (2009) and Schäfer and Leiber (this issue).

(3) The notion of governance is very pertinent to my analysis (especially when referring to acting) as ideally the implementation of the EES entails the involvement of a variety of public and private actors (e.g. partnerships).

(4) It is interesting to note that in 2003, policymakers barely recognized the connections between the EES and the ESF. However, five years later Spanish interviewees fully comprehended the links between the aforementioned processes. For instance, when writing a policy proposal the connections between them have to be emphasized.

(5) The collaborative dimension was addressed by the former minister Vandebroucke (in the context of the 2003 employment conference – based on the EES principles): “How many jobs will ultimately be created is not so important. What is much more important is that the way forward for socio-economic policy has been found with all parties concerned at the table together” (European Industrial Relations Observatory On-Line 2003).

(6) The Flemish region developed a database to compare its LMP indicators to the ones from Wallonia, Brussels, Belgium and Europe.

(7) The first social pact was created in 2002. It included commitments to: insert workers into the labour market, provide training, create a centre for professional developments, promote the equality of men and women in the workplace and combat discrimination.

(8) Börzel (2002) argues that duplications and overlapping are common problems in Spain.

(9) Proyecto Pléyade: Difusión e Implantación de la Estrategia Europea por el Empleo en el Ambito Local.

(10) The ESF funded local strategies for employment projects in Cádiz, Cuenca, Cantabria, Granada, Extremadura, Navarra, Huelva, Cataluña, Castilla y León and Pontevedra (c.f. Rocha Sánchez 2005).

(11) Regional growth agreements (launched in 1998) sought to stimulate economic growth by better sector coordination and adoption of industrial policies to fit subnational conditions. They were inspired by the ESF programmes.

(12) The project was carried out by six Swedish municipalities: Örnsköldsvik, Sundsvall, Söderhamn, Sundbyberg, Eskilstuna and Kungsbacka.

(13) The organization of such plans is dependent on the domestic organization of LMP. In some states, the plans are called ‘Regional Action Plans’ (Belgium, Portugal), in others ‘Local Action Plans’ (Sweden, Ireland, Greece), whereas Italy and Austria call them ‘Territorial Employment Pacts’. Other member states, such as the UK, Denmark, Germany, the Netherlands and Finland have also launched this type of initiatives (this information comes from a review of NAPs).

List of Tables and Figures

Table 1: Summary of domestic experiences: domestic structures and the EES

	INSTITUTIONAL SET UP		EES PROCESS	
	Configuration of LMP	Role of Subnational Levels in LMP	Having a say	Acting
Sweden	Centralized and exclusive competency of the national level	Managers and Implementers	Inclusion of subnational peak organization only in <i>reporting</i>	Local Action Plans, National-Subnational Pacts, 'Pilot-county' Projects
Spain	Centralized And concurrent	Implementers and enforcers, increasingly formulators and decision-makers	Inclusion of subnational entities through active <i>consultation</i>	Local Action Plans and programs, Best Practices, Regional Action Plans
Belgium	Highly decentralized and exclusive	Main Actors, with the exception of Social Security	A movement towards <i>bargaining</i> between national and subnational entities in new arenas	Regional Pacts/Plans, Social Pacts, Territorial Pacts

Figure 1: Having a 'say': Nature of 'national-subnational' collaboration

