Speaking with forked tongues - Swedish public administration and the European employment strategy

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Abstract
The aim of this paper is to understand how decision making processes within the EU comes to affect the structures for national policy making within the employment field. The paper addresses the question of how the process of writing new employment guidelines for the EES – European employment strategy, has affected the work of the Swedish public administration. Through applying a neo-institutionalist perspective, it contributes to the understanding of effects that the increased embeddedness of states, often characterized as Europeanization, invoke on national administrations. I argue that the way the process has been managed can be analyzed from an organizational perspective where conflicting demands on the Swedish state has led to a certain organization of the work activities. On the one hand, Swedish representatives have to act according to the norms of the European cooperation in order to be seen as a legitimate actor. On the other hand, EU and European influence on Swedish employment policy is not a legitimate concept at national level. In order to satisfy these two seemingly incompatible demands the organizing principle of decoupling is being used to create space for maneuvering for the administration. However, through participation at EU-level organizational identities are partly transformed which in time leads to a situation where changed practices are not met by changes in formal structures. As a consequence the Swedish representatives are in a manner 'speaking with forked tongue' and obscuring the new way in which policy making is conducted thus introducing democratic shortcomings in terms of transparency and accountability.

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1. Embedded organizations

Attempts to evaluate the impact of the open method of coordination (OMC) and the European Employment Strategy (EES) are almost countless (see for example, Ashigabor 2005; Nedergaard 2006; Schäfer 2006; Trubek & Trubek 2005; Zeitlin, Pochet & Magnusson 2005). Most of these analyses tend to focus on the implementation of the policy measures in the member states or on the development of the OMC itself. Far fewer studies focus on the organization of state activities in relation to EU level processes (Büchs 2007; De la Porte & Pochet 2003; Jacobsson & Schmid 2003, López-Santana 2006). But an increased embeddedness of the EU member states implies more than just adaptation and translation of new regulations into national policies. It also involves changes in working methods to cope with complex EU level decision-making processes. National actors spend a growing amount of time addressing activities related to European coordination, suggesting that national political and administrative systems are increasingly embedded in international and European decision-making processes (Djelic & Sahlin-Andersson 2006; Featherstone & Radaelli 2003; Finnemore 1991; Jacobsson; Lægreid & Pedersen 2004). Arguably, particular demands are placed on adapting working methods and procedures in order to cope with such complex decision-making processes (Brunsson & Jacobsson 2001; March 1994). The OMC could be seen as one example of a complex governance process within the area of welfare policy, that member state administrations need to deal with (De la Porte & Pochet 2003; Zeitlin, Pochet & Magnusson 2005). The aim of this paper is therefore to study how the national administration participates in the soft coordination of the OMC and how this affects the structures for national policymaking. This involves
looking into the forms of decision making, modes of interaction and the role assigned to different actors. Such structures are arguably decisive for who gets to take part when and where, and in the end influence the policies being made. This will be done using a neo-institutional sociological approach, a perspective more widely used in studies of other types of complex decision-making processes. Thus, a second subordinate aim is to investigate the usefulness of such an approach for studying the EU-related work of the national administration. Empirically, this paper looks at how the process of drafting new employment guidelines affected the work of the Swedish public administration.

1.1 Europeanization in a reluctant member state

Previous studies of the Swedish state suggest that only some parts of the administration are affected by EU-related work, but these parts have also become heavily embedded in EU decision-making processes (Jacobson, Lægreid, & Pedersen 2005; Larue 2006; Vifell 2007). This development can be said to create a segmentation of the public administration, where some parts negotiate, make and implement rules within the EU, while others do not. Coping with different kinds of demands stemming from a different environment than other parts of the administration, might in turn mean prioritizing different values, as well as developing different contacts and adopting different working methods. For example, a recent survey indicates that civil servants working with EU issues consider transparency and political signals less important than professionalism, compared to the rest of the administration (Jacobsson & Sundström 2006). Thus the EU may have had quite a substantial impact in terms of both altered working procedures and espoused values among civil servants, and this case study will more closely examine the processes behind such changes. This paper is an in-depth exploration of the work within the Europeanized administration and attempts to explain why the values and actions of this sub-unit differ from the national administration in general.

In most policy areas, including labor regulation, environment and economics, Sweden has argued for less EU cooperation. This position was clear from the outset and the 1994 EU membership referendum passed by only by a scant margin. In 2003, the popular vote was a clear ‘no’ to the third phase of the Economic Monetary Union (EMU). The social democratic government’s seeming unwillingness to increase EU regulation in various policy areas, such as labor law, social welfare and defence, is indicative of its adherence to the popular mandate. The centre-right government appointed in autumn 2006 also seems to have embarked on a similar path, indicating they want to see a slimmer EU that touches on fewer policy areas. When the OMC was initiated, Sweden was one of the most committed member states in developing and promoting the EES (Jacobsson 2004; Ekengren, Jacobsson & Johansson 2001). Former Swedish Minister of Finance, Allan Larsson, who was then the director of DG Employment and Social Affairs, played an important role in shaping the policy tools (Ekengren, Jacobsson & Johansson 2001:37). Within the employment policy field, the OMC’s soft law instruments have been seen as an appropriate form of cooperating at the EU level, since formal decision-making has remained at the national level. The previous government also argued that Sweden had little need for adjustment since the existing national policy was already in line with the common guidelines (interviews ministry level Sweden and national parliament 2002). This view is also held by the current government. Arguments in support of hesitation vis-à-vis increased European cooperation are, however, seldom attributed to a policy mismatch. The most frequent arguments are based on the nation-state, concluding that some things are best left to the national level no matter the content. However, even if the EES was partly created as a way to keep EU at arm's length, it arguably turned out to be one of the more interventionist policies in areas where member states retain decision-making competences. There is thus reason to look for other changes than just in actual policies. The Swedish government argued that the EES would not imply any changes for national labor policy (interviews ministries Sweden 2002, national social partners 2002, national parliament 2002). However, at the same time, Sweden advocated the EES’ learning potential at the EU level (interviews ministry Sweden 2002, interviews DG Employment and Social Affairs 2003). How is it possible to reconcile these clearly opposing views within the Swedish administration, and how do they arise? Clearly such an ambiguity merits some attention, and studies such as this that look at the administrations’ coping with the OMC and the EES may help us better
understand the underlying processes that create this particularity.

The paper consists of four parts. The first part presents a theoretical framework for studying the impacts on the Swedish administration participation in the drafting of new EES guidelines. The ambition is to move away from studies looking only at the EES and the OMC, and instead regard these processes as examples of complex international decision-making. These are also cases suitable for organizational analysis as the organizational environment of national administrations tends to become increasingly international. The second part consists of a methodological discussion and presentation of the data. The third section presents the empirical study of the Swedish administration. The fourth part analyses the empirical case, as well as discusses in greater depth the long-term effects on organizational identity, revealing interesting points for further research.

2. Responding to the environment

The intergovernmental perspective in EU-studies has focused on strategic bargaining between governments (Moravcsik 1998). However, the state has often been treated as a unitary actor in these studies, failing to take into account important domestic features in explain the development. The clearer focus on the domestic level has developed through studies making use of various institutionalist approaches (Börzel & Risse 2003; Olsen 2002). In the rationalist approach, adaptation is seen as a strategic action for coping with the requirements of EU membership (March & Olsen 1989). However, other mechanisms of change need to be investigated. A growing body of literature using sociological institutionalist approaches to explain and interpret the consequences of European integration has consequently emerged (for example, see Britz 2004; Börzel & Risse 2000; Mörrth 2004; Schneider & Aspinwall 2001; Thedvall 2006; Trondal 2006; Winn 1998). According to this strand of literature, what a government wants in a particular matter is developed in the process of negotiating and deliberating with other state and non-state actors in an international context (Finnemore 1991). This study contributes to the application of such theoretical tools and may also shed light on the OMC and the EES using a less traditional approach to these subjects. These types of governance tools may create other dynamics than those envisioned at the outset, as the rules may be interpreted and adapted to the national setting in a more independent manner than traditional legislation. The organization of policy-making in terms of, for example, interministerial relations, the inclusion of stake holders and timing of the process, may also affect the perceived degree of legitimacy of the policy question, and hence the likelihood of its implementation when legal sanctions are lacking. The legitimacy of the OMC itself hinges on its ability to achieve its targets as well as its input legitimacy (Büchs 2007; Borrás & Conzelmann 2007). The OMC may heavily influence the input side of national policy processes through administrative changes brought about to cope with the OMC. For those reasons, this paper will focus on the form rather than the content of the OMC in an attempt to strengthen the existing, but less numerous studies looking at processes (see for example López-Santana 2006). This shortage becomes even more urgent when considering the fact that some of the mechanisms of the EES have been exported to other policy areas since employment policy was put on the EU agenda through the Amsterdam Treaty in 1997 (Art 125-130).

Central concepts in this paper's framework are legitimacy and room to maneuver. These concepts may be employed in many different ways depending on the theoretical approach chosen. In the theoretical perspective used, built mainly on the sociological approach within neo-institutional organization theory, legitimacy is linked to organizations' abilities to meet various demands from their environments. According to this strand of thought, organizations have to fit into prevailing normative ideals in order to be seen as correct or legitimate actors (Scott & Meyer 1994). This is necessary to gain access to various kinds of resources, which may include anything from technical assets and skilled labor to social acceptance (Oliver 1991; Pfeffer & Salancik 1978). In order to have a room to maneuver, an organization thus has to fulfill formal and informal demands of appropriate behavior.

Legitimacy is thus from this point of view contextually defined, and not by default linked to any
particular norms such as democratic legitimacy or efficiency. In democratic theory for instance the point of departure for the researcher consists of norms of representation, deliberation or participation. In such theories legitimacy is derived from the consent of those subjected to the authority of particular political institutions. However, legitimacy in the particular strand of thought used here refers to whether or not an appropriate behavior is presented in relation to the normative rules prevalent in the organizational environment (March & Olsen 1998). Democratic norms may of course be one environmental demand placed upon the organization, but this is an empirical question (1). In the case of Swedish administration and the EES, it could thus be argued that the Swedish Ministry for Industry, Employment and Communication must implement, or in other ways show compliance with, established rules and procedures to be seen as a legitimate actor at the European level. This legitimacy is important since only those member states committed to the development of EU cooperation can be expected to have a say in EU level rule-making.

2.1 Decoupling to cope with conflicting demands

What happens if an organization faces incompatible demands? In the current case, if Sweden, as a member of the EU, adjusts to an EU rule, it might conflict with norms in other parts of Sweden's organizational environment. These may be national policy-making traditions or rules in other international organizations of which Sweden is a member. The unsuccessful fulfillment of prevailing environmental demands might limit the organization's ability to be seen as a legitimate actor, which in turn will limit its room to maneuver. And if satisfying one demand today also means not being able to satisfy another one tomorrow, this certainly creates a problem.

Decoupling is one of the strategies organizations use to reconcile incompatible demands from their environment (Meyer & Rowan 1991). The concept refers to the disparities that often exist between talk and action or between decisions and their implementation. Decoupling may be confused with disorder or chaos, but actually denotes another type of order designed to cope with ambiguities and inconsistencies of the organizational environment (March 1994:193). Decoupling, and the associated legitimacy, is obtained by separating different activities from each other. Decoupling may occur by allowing different parts of the organization to handle different issues and/or to separate the presentation of activities from their implementation. In this way, structures and presentation may reflect a legitimate way of solving problems while at the same time maintaining ‘business as usual’ behind the scenes. Separating activities from each other over time is another way in which organizations can show compliance with conflicting demands without making such contradictions visible (Brunsson 1998). However, as recent theoretical developments have shown, one should not overestimate the effectiveness of completely decoupling activities (Laffan 2006; Sahlin & Wedlin 2007). Things may slip through the built-in barriers. The following section will discuss how this can occur, and also address the possible consequences of such overflow on organizational identity and institutional change.

First, when less central parts of the organization such as individual departments, grass root bureaucrats or the local level in a state, alter their behavior in accordance with new ideas, a situation where organizational change occurs from below may arise. This change may happen although organizational management had not intended to change the organization's activities. But central actors responding to pressures for a different behavior may also be in the position to introduce new ideas into the organization (Jeppersson 1991; Laffan 2006; Sahlin & Wedlin 2007). These actors are often referred to as carriers of ideas as they bring new ideas into the organization that may induce substantial change in behavior (Sahlin & Wedlin 2007). Decoupled structures can thus be circumvented when environmental ideas are adopted by different parts of the organization at different levels.

Another way in which decoupling may be overturned is when organizations slowly begin to identify with the presented ideal. Such a situation can occur when organizations present themselves as a specific type of actor, where others will evaluate and regard them as such. It often also involves
interaction with similar organizations. Mimicking compliance with rules and appropriate behavior means relating to it and in some ways taking it into consideration. The result is that organizations can become the type of actor they have previously tried to portray themselves as being. And, according to the logic of appropriateness, a changed organizational identity implies new behavioral norms (Meyer & Scott 1994). However, the adaptation of an organization's presentation or actions may not always be accompanied by a belief in the values and practices being carried out. But this adaptation could still cause institutional change by leading other actors to take action, and resulting in a changed organizational identity over time. Identifying with and being recognized as a certain type of organization means being able to make use of the opportunity structure. Such an organizational identity is necessary to increase awareness of available resources and subsequently make use of these. In the context of the EU and the Swedish public administration, it could mean that Swedish organizations start thinking of themselves first and foremost as Europeans. This new identity might shift the focus of activities to broader issues and preferences than just those in line with the national interest. The common European project and the best interests of the EU would then become more important. Compared to Knill and Lehmkuhls’ (Knill & Lehmkuhl 1999) discussion on the concept of opportunity structure where no identification is needed, the above is a somewhat stronger assumption.

Looking at the situation where Sweden has shown to be a reluctant EU member state, there are two kinds of demands stemming from different parts of the organizational environment. The first one, stemming from the national level, does not allow the EU to have any influence on national employment policies and the second demand is for Sweden to play an active role in developing the EES at the EU level. These two demands do not seem to fit well together, but the Swedish administration has somehow been able to do both. It has not received any major criticism, either from the Commission or from national actors, at least not in major media and public debates.

3. The data

The empirical material consists of a process study of Swedish participation in the writing of new EES guidelines in 2003. It investigates how the guidelines affected Swedish public administration working with employment policy. The reason for choosing to study Sweden in this particular process is twofold. First, closer attention is warranted given the fact that Sweden, despite being one of the initiators of the EES, claims that the strategy has no impact on national policy-making. This makes it a good case to explore an institutional perspective with focus on the demands of the organizational environment. Second, the EES guideline process is in a sense a typical EU level decision-making process that requires participants to cope with a high degree of complexity. It is thus a good example of the types of demands facing participating member state administrations. In addition to written material, such as government propositions, position papers and other statements regarding the Swedish standpoint, the study also draws on interviews with national civil servants involved in the process under investigation. As the chosen theoretical perspective also takes into account informal procedures that may be institutionalized, and thus govern the behavior of actors in the same way as formal rules, the use of such data becomes even more reasonable.

A total of 53 in-depth interviews were carried out with 39 informants. The interviews lasted from 50 minutes to 1, 5 hours. The main actors were Swedish representatives from the national ministries of Finance and Industry, Employment and Communication. In addition, representatives from central and local social partner organizations, Swedish NGOs, the National Parliament and local governments were included. The interviewees’ own descriptions of their behavior (what they did, in what way and with whom), were used to understand what factors they perceived as important when acting within the European environment, and thus partly deciding the room to maneuver. Some discrepancies were also revealed in the interviews and in the formal documentation regarding the established formal procedures for coordinating EU affairs.

A number of individuals working within EU level organizations, and in the national administrations
in other member states were also included. These were persons with an overview of the processes who were asked to describe both the guidelines process, as well as the actions of the Swedish representatives. Such interviews were conducted about the drafting of the guidelines within the Commission's DG Employment and Social Affairs, DG Economic and Financial Affairs (DG Ecfin), and DG Enterprise. Other interviews included the secretariat of the Employment Committee (EMCO), Economic Policy Committee (EPC), Economic and Financial Committee (EFC) and the Social Protection Committee (SPC), as well as persons involved in evaluating the EES. A number of interest organizations, such as the European Trade Union Confederation (ETUC) and (UNICE) and other member state representatives in EMCO, were also included. Participant observations during meetings between government representatives and other national actors in Sweden were also conducted on four occasions. Altogether, this enabled triangulation and provided a general overview of the process as the actual proceedings are poorly documented. A broad approach was chosen when defining and choosing interviewees as the sociological approach within neo-institutional organizational analysis also allows for the possibility that formally less central actors may be important.

Three rounds of interviews were conducted in 2002-2003, 2004 and 2007. All central actors at the national and European levels were interviewed at least twice. The last round of interviews was conducted in order to better appreciate whether the identified behavioral change was a lasting phenomenon or just lip service to current demands of the process. Thanks to several rounds of interviews, an understanding of ‘before’ and ‘after’ could be attained. Also, since the guidelines were to be implemented at the national level, the material also gives insight into how demands at the national and EU level meet the administration and are dealt with over time when it comes to dealing with new policies, as this too may influence the national structures for policy making and implementation. The study also draws on the participant observation done by a colleague, who worked at the secretariat for EMCO at the Commission, and who participated in national coordination meetings within the Swedish Ministry for Industry, Employment and Communication (Thedvall 2006). All informants were promised anonymity. Quotes from and references to specific individuals where their statements are used as examples representing views of their home organization, are thus only referred to by the type and level of organization to which the interviewee belongs.

4. The demands on the national administration

At the time of the study, the EES involved the formulation of common EU guidelines, which were translated into national action plans (NAPs). The European Commission monitors the plans, as do other member states (for studies of the employment policy procedure, see Biagi 2000; Goetschy 1999; Szyszczak 2000). In 2002, an evaluation of the EES was undertaken at the same time as the employment guidelines were synchronized with the Broad Economic Policy Guidelines (BEPG). It was also decided that new employment guidelines would be developed after the revision (European Commission 2002, 2003). After a number of reforms, the EES is currently part of the renewed Lisbon Strategy for Growth and Jobs, which is based upon integrated policy guidelines agreed on by the member states. The results of national achievements in relation to these guidelines are then presented in National Reform Programs, rather than in the previous NAPs. Although the Lisbon Strategy encompasses wider reforms, this paper focuses on a particular part of the process, namely the writing of the employment guidelines, in order to study how EU decision-making within the OMC may affect national administrations.

4.1 Acting at an early stage – and at all times

At the EU level, the process of writing new guidelines was primarily handled by the EU Commission’s Directorate for Employment and Social Affairs and the Directorate for Economic and Financial Affairs (DG Ecfin). Two important points in time were the Commission’s first communication on new guidelines in January 2003, as well as its contribution to the Spring Council
The final decision was made at the Council meeting for Employment, Social Affairs, Healthcare and Consumer Affairs in June 2003. Prior to this, the Commission proposal was to be discussed in the four advisory committees – EFC, EMCO, EPC and SPC. These committees, as the only ones preceding the Council meeting, were considered by all interviewees to be very central in the process. Although formally under the Council, these committees arguably hold a position in-between the Council and the Commission, as the Commission hosts the secretariat and is also a full member of each committee (Jacobsson & Vifell 2005, 2007). Some issues, such as country-specific recommendations, go through COREPER and/or a council working group, but this is for the most part a mere formality and there are seldom discussions of the proposals. The European Parliament, as well as the European social partners, were also to be consulted in the guideline process. The Parliament’s rapporteur on the issue – a Swedish MEP (Member of European Parliament) from the Left Party – also had close informal contacts with DG Employment and Social Affairs. As for the EU social partners, they were satisfied with the final Commission proposal and felt that their views had been taken into consideration by DG Employment (interviews EU social partners 2002). These types of contacts were seen as important for the Commission to be able to incorporate other actors’ views, as well as to present a broadly supported proposal (cf. Borràs 2007). It also seemed more important for DG Employment and Social Affairs than DG Ecfin to make allies during the process. The latter represents financial issues and prepares proposals for the highly influential council of the Finance ministers (interviews Commission, EU social partners and European Parliament 2002; see also Jacobsson & Vifell 2005; Linsenmann & Meyer 2002; Wessels 1998).

Concerning the content of the guidelines, DG Ecfin was above all opposed to setting quantitative targets at the EU level, since it was believed that targets for employment policy might constrain economic policy, and thus reduce the options for economic policy coordination (interviews Commission 2002). Several drafts of the Commission proposal were thus sent between the DGs, where the appendix of targets was alternatively removed and attached each time. DG Enterprise, also argued in favor of maintaining the four-pillar structure of the EES, although this idea was later abandoned. The argument for keeping it was a fear that removing the entrepreneurship pillar would reduce its status. This part of the process was very much invisible in many of the member states, and was hence difficult to influence, partly due to the fact that it was mainly conducted informally.

During the process of writing new guidelines, Sweden was very active. The central actors in the process in Sweden were the Ministry of Industry, Employment and Communications and the Ministry of Finance. These ministries were jointly responsible for the NAP and the EES. The Swedish representatives recognized the importance of early action in the guideline process in order to gain influence. They were thus active participants in preparatory forums such as EMCO and EPC. As put by one representative: “Normally we are not able to have someone who is on the lookout upfront so this really made a difference in this case” (interview ministry 2004). These activities also involved trying to gain early support from other member states prior to EMCO meetings. The delegation from the Ministry of Industry, Employment and Communications sent out briefs called “non-papers” prior to meetings. Non-papers were contributions to the discussions that were not to be regarded as official submission by the Swedish government. These documents were circulated to members of the committee, but also to Commission officials and MEPs. As one civil servant put it: “I think everyone has got it. From the lowest civil servant to the political leadership” (interview ministry 2002). The paper discussed the Swedish view on the new guidelines. It emphasized, among other things, the need to reduce the number of guidelines and make them less complicated, to clarify their structure and to increase the focus on general targets rather than on specific policy measures. All in all, the Swedish view was believed to correspond fairly well with the Commission’s initial proposal and the ideas brought forward by DG Employment and Social Affairs (interviews ministry). Other member states also produced these kinds of non-papers, but none were thought to be so widely spread and ambitiously presented as the Swedish one (interviews Commission, other member state representatives in EMCO 2002). The motivation was to convince others early on before their own views were too strongly set, and to serve as a point of departure for discussions (interview ministry 2002). Concurrently one hoped to convince other actors to focus their discussions on Swedish
priorities and the strategy could be described as an attempt to reshape the EU agenda in accordance with the Swedish one. In that way, one would avoid competing rules and retain legitimacy of the administration, as it would not need to adjust to any EU level demands (Oliver 1991).

4.2 Creating networks and alliances

In addition to boosting other member states' support of the Swedish view, seeking support from Commission officials in order to increase the Swedish administration's room for maneuver was also seen as important. Since officials at DG Employment and Social Affairs draft proposals and documents to be presented to EMCO, this type of contact was seen as a vital channel for influencing the content of such documents. Informal contacts and networking were the primary tools. However, networking also served other purposes than just gaining support for national positions. The interviewees involved in the process described good communication with other parties in the process as necessary to gain information about what was happening (interviews ministries, and other member state representatives in EMCO, EPC and SPC). This information was needed in order to know when and where it was beneficial to act, as the process was to a large extent informal and somewhat unpredictable, as will be elaborated below. This demand was partly fulfilled through strategic positioning of some Swedish officials within the Commission. At the time of the guideline process, Sweden held the chair for one of the EMCO sub-groups, and was also able to secure a position for an employee of the Ministry of Industry, Employment and Communication at the committee secretariat. In addition, one of the EMCO alternates was permanently stationed at the Swedish representation in Brussels. In general, Sweden is not seen as very successful in gaining positions within the EU administration (interviews ministry 2002, 2004, 2007). The employment area thus seems to be somewhat of an exception.

Still, the absolute number of Swedish actors taking part in EU level networking was small. At the national level, only those individuals directly involved with the EES, in terms of drafting the NAP and participating in EMCO meetings, were aware of the EES in general, and the guideline process more specifically (interviews national agency and ministry, national parliament, national social partners and national interest organizations 2002). All in all this added up to at most 10-15 individuals. The spread of and knowledge about the EES was thus very limited within the Swedish state administration, even among the executive agencies and other departments within the involved ministries (see also Jacobsson & Vifell 2007). An illustration of this finding is a statement by a civil servant who recently started working at the department dealing with the EES, after having worked in another department within the same ministry. He expressed surprise that the rest of the unit was not more ‘Europeanized’ (interview ministry 2002). There were also few interactions between the core group for issues relating to the EES, and other units working on domestic policy within areas such as integration policy or gender equality. The Labour Market Board, the executive agency responsible for implementing employment policy, is one example. While being an important actor in the national policy process, the organization did not take part in the guideline process and most of the officials there were entirely unaware of the process. In the regular NAP process, the Labor Market Board only played a marginal role and criticized this fact (Jacobsson 2005, interviews national social partners and agency officials 2002). Thus the alliances deemed necessary to respond to the demands from the EU level process did not include ensuring commitment among implementing organizations in Sweden.

At the end of the process, some incidents highlighted the importance of maintaining close informal contacts and being part of the central network of actors. Because the process was unpredictable and opaque, informal contacts become essential for knowing when and where to act (March 1994). The European Parliament was going to comment on the new guidelines prior to a Council decision. But as the internal drafting at the Commission took longer than expected, there was only limited time for the Parliament to respond. The Parliament, already a weak actor in the OMC, found this situation unacceptable and decided to ‘teach the Council a lesson’ and refused to comment due to the lack of time. This would delay the decision and create what some EU actors described as an ‘institutional
war’ (interviews European Parliament and Commission 2002, 2004). In the end, the events became less dramatic as the issue was quickly resolved at the political level. Nevertheless, it illustrates the complexity and unpredictability of the demands that rule-making processes place on the administration. The appropriate behavior is thus to sustain informal networks with relevant actors in order to stay on top of what is actually going on.

4.3 Providing expertise and experience

The strategy of legitimizing national standpoints by demonstrating their scientific validity through references to research and to various kinds of expert organizations is well documented (Miller 2006; Reardon 2005; Thedvall 2006). This strategy was also present in this case as the interviewees described the necessity of presenting national priorities as neutral and based on quantifiable data (interviews ministry 2002, 2004). However, in the case of EES, Sweden drew upon another kind of expertise. Above all, the country tried to speak from its own national experiences, and thereby gain credibility through its significant experience in active labor market policy and high degree of social partner involvement. These types of arguments were believed to be valid and created an advantage for Sweden as one of the sources of inspiration for the EES itself (interviews ministry 2002, 2004).

However, this positioning creates a rather intriguing situation in relation to the exchange of best practice and learning that supposedly occurs between member states. Although Sweden participated in these exchanges, in the domestic debate at least, Swedish actors claimed that no adjustment was needed. It was instead a question of aspiring to serve as a role model for others rather than to be inspired by others. This position was not seen as legitimate at the EU level as it raised the question of the Swedish government's commitment to the core ideas of the EES. Other actors, such as the non-socialist opposition in Parliament and both employers and employee organizations, expressed discontent with the government's position on several occasions (interviews national social partners 2002, 2004).

4.4 Speaking with one voice

The findings show that the Swedish administration felt the need to be well coordinated in order to ‘speak with one voice’ in different committees, and at different levels of the process. Consistency was seen as important to give the impression of being a well-prepared and serious partner in the negotiations. However, it was also believed that other member states sometimes used an opposing strategy. If an argument was not well received in one forum, another member state representative would state the opposite in another, blaming the first statement on dysfunctional coordination (interview ministry 2002). Several members of the Swedish delegation believed this behavior came with the risk of being seen as a strategic and self-interested member state. It was also perceived as making the process more difficult and uncertain for others due to risk of not knowing if and when representatives had coordinated positions with the political leadership and/or all ministries back home (interviews ministry and Commission 2002-2003). This behavior made it unclear whether or not positions were sustainable. National coordination to present a common front at the EU level was concentrated within ministries and the small core group working on the EES composed of representatives of the Ministry of Industry, Employment and Communication and the Ministry of Finance. Since this group included all of the Swedish members and alternates of both EMCO and EPC, the coordination was done through formal meetings prior to the respective EU meetings. In practice, this also meant informal contacts and networking outside the formally established organizational structures, partly due to the short time frames and the informal networking at the EU level.

It should be noted that the national coordination was seen as largely unproblematic, without the tension traditionally perceived between the Ministry of Finance and the “spending ministries”, this time represented by the Ministry of Industry, Employment and Communication. It was believed that there were fewer differences between national actors than those found between Sweden and other
member states – and also fewer than the internal differences in many other member states (interviews ministries and national social partners 2002). In short, the national coordination was perceived as well developed and smoothly run. The inter-ministerial coordination also seems to have improved due to the EES (Jacobsson & Vifell 2007). This, however, was not the case in relation to other national actors, including the central and local social partners and the Labour Market Board. In this case, these sub-national actors did not have real influence on national coordination. Although regular meetings were held at the Ministry of Industry, Employment and Communications with representatives from both central and local social partners, only previously agreed-upon positions about the guidelines and the EES in general were discussed (Jacobsson & Vifell 2007). These meetings thus served as a channel for one-way communication from the government, rather than actual coordination of views and debates on policy. The demands from the EU level to include these actors were thus achieved through lip service, but was not believed to be an important demand at national level for legitimacy reasons.

4.5 A reluctant rule-follower

In order to be perceived as a committed and legitimate actor at the EU level, it was also seen as important to show compliance with agreed upon EU rules. This compliance concerned both policy and procedure. In fact, in the current case, it was even more important to show conformity in other ways than policy implementation and substantive obligations since the soft nature of the rules makes pressure mechanisms weaker. Thus legitimacy was achieved through appropriate behavior during the negotiations but, above all by showing conformity with the formal procedures and requirements of the EES. First, the Commission increasingly emphasized the need to involve a broader set of national stakeholders, including parliaments, in order to ensure the legitimacy and the implementation of the EES in the member states (European Commission 2001, 2002). In the case of the guidelines, Sweden showed compliance with these requests by allowing the social partners to comment on the Swedish position and the Commission's proposal on the guidelines. However, as previously mentioned, these discussions were undertaken at such a late stage in the process that the relevant documents were already determined and not subject to change. The social partners were also critical. In fact, the local employees’ organization did not even bother to attend all such meetings as they were seen as a waste of time and resources (interview national social partners 2002-2003). The government's argument for the delayed involvement of other actors was mainly that employment policy was still a purely national concern and nothing that was altered by the EES.

Sweden also met the requirements regarding parliamentary involvement as the Swedish Riksdag was consulted. However, in practice, the parliament was not part of the guideline process, and only played a minor role in the regular NAP process (Jacobsson & Vifell 2007). Most MPs also saw the EES and the OMC as fairly vague concepts. However, some ministerial representatives felt that the hearings within the committee dealing with employment policy were on occasion quite intense. But the intensity did not mean that the government's position was subject to change. Still, discussions concerning the guidelines were not in-depth, especially as the MPs saw it as an extremely technical and bureaucratic issue. Hence, it was difficult to see how and why domestic actors, who already participated in the national process, could and should contribute at the EU level (interviews ministry 2002). The EU level guidelines were described as nothing more than the established Swedish view, thereby denying that the EES was the source of any domestic change. However, the political opposition, as well as the social partners, did not believe the government took the EES seriously enough. For instance, the non-socialist opposition used the recommendation on lowering taxes on labor in their case for tax cuts. Some also expressed the view that national policy could be improved by following the EU rules more wholeheartedly, and that the current attitude risked Swedish credibility in the future (interviews national social partners 2002).

The NAP recommendations are another example of conforming to the established rules that the Swedish government believed necessary in order to be seen as a legitimate actor. Mandates and assignments given to the Labour Market Board were thus in line with the EU guidelines and/or
recommendations. However, the connection between national policy and EU policy was never made explicit, giving no indication as to the origin of assignments and provisions given to agencies. In addition, conformity with existing rules was upheld through behavior and interaction according to the prevailing norms, which meant that networking was the dominant mode of interaction.

5. Speaking with forked tongues

5.1 Decoupling strategies

Empirical evidence suggests that the Swedish administration has had to reconcile the conflicting demands of close participation and apparent adherence to EU norms with the need to keep the EU at arm’s length. On the one hand, the EU environment requires the Swedish administration to act and behave in a specific way in order to influence the EES process. To summarize, the Swedish public administration's strategies to be effective in the guideline process were to present a common position, to be well coordinated, to network and form alliances and to follow various kinds of established rules. These were seen as the best ways to achieve legitimacy and be seen as a trustworthy actor in the negotiations, thus gaining influence. On the other hand, the national opinion on employment policy does not allow any EU influence on either the content, or on established practices. Analytically, the way this has been done could be seen as decoupling. First, there was a decoupling of activities in the organization of the EES at the ministerial and agency levels. At the two relevant ministries, only a few civil servants within a single unit dealt with EES issues, thus partly insulating the rest of the administration from any influence. In this way, separate parts of the organization can be displayed to different parts of the environment and respond according to opposing norms of organizational behavior.

Second, there is also a decoupling of presentation and activities. Sweden actively follows the rules of the EES in drafting NAPs, receiving recommendations and networking at the EU level. This behavior portrays Sweden as a legitimate, European player with the ability and right to participate in negotiations for the new guidelines. Yet, there is no mention of the EES and the EU when employment policy measures are undertaken domestically as the government decouples the completion of tasks from their presentation at the national level. For instance, when the Labor Market Board was tasked with looking into how to improve integration of immigrants into the labor market following the EU recommendation, there was no reference to the EES. Instead, the idea was presented as a Swedish initiative. One explanation is that it is not legitimate to implement employment policy measures that stem from the EU. The decoupling of presentation and activities makes it possible to satisfy seemingly incompatible demands at the national and EU levels and give Swedish actors room to manoeuvre in both contexts. Altogether, Sweden manages to speak with one voice both at the national and EU level, although different parts of the administration say the opposite things in the two contexts.

One result of this decoupling linked to the close national coordination is the ability to exclude certain actors from the process. Local actors, as well as the social partners and the Labor Market Board, were clearly left out. This exclusion was possible since the government claimed employment policy was only of national concern. In this way, it became pointless for these actors to take part in what was purely a ‘presentation for Brussels’ since the ‘real’ Swedish employment policy was created through the normal national channels, where these actors play central roles. However, as discussed here and elaborated upon later in this paper, the impact of the EES on national policymaking is not negligible.

5.2 Organizational identity and failed decoupling

Despite the seeming accomplishment of decoupling, there are signs that the multilevel game of EU cooperation prevented it from being an entirely successful strategy. Although local actors were excluded from influencing the guideline process, they were encouraged and supported by the
Commission to write Local Action Plans (LAP). These activities connected them to the EU level and facilitated their participation in conferences and meetings with other local and regional actors from around Europe. For instance, some municipalities became involved with the organization Eurocities, which works to strengthen the local dimension in the EU. Eurocities has, among other things, encouraged its members to produce the aforementioned LAPs. The exchange of experiences with other local actors around Europe, perceived as a valuable resource for handling concrete problems, implies that ideas can be transferred directly from other cities or municipalities without involving higher levels of the organization. As one politician from a Swedish municipality put it: “We may not look like any small town in Sweden, but instead we might have similar problems to tackle as does Nice or some other city in Europe” (interview local representative 2003). And if lower levels of the national administration pick up and incorporate EU level ideas, a change may occur within the organization as a whole. New self-perception prescribes new ways to behave, with related modes of action and preferences that fit these new ideas of identity, also making new resources available. For example, financial resources have been allocated to the sub-national level through the Commission program “Acting Locally for Employment”. However, the availability of these resources is dependent upon a change in the self-perception of the involved actors. Since the state level had excluded local actors from the EU process, the recognition of learning potential had to occur for sub-national actors to become aware of the availability of such resources. This finding corresponds well with the idea that norm entrepreneurs bring ideas into an organization as an alternative explanation to differential empowerment caused by external factors that in turn redistribute domestic resources (Börzel & Risse 2000; Sahlin & Wedlin 2007). The Commission was one source for ideas on sharing experiences with other organizations in the same situation through its attempts to mobilize local actors to strengthen the impact of the EES (Jacobsson & Vifell 2007). Thus, local actors in Sweden have increasingly come to define themselves as actors belonging to the European project, and increased interest in LAPs from the ministry level can also be noted over time.

However, the conclusion that subnational actors have taken part in EU networking, resulting in identity transformation purely as an adaptation strategy to a new situation, should be more carefully scrutinized. As Kohler-Koch points out, one should not overemphasize the role of the Commission as an ideational entrepreneur since actions at the national level might be undertaken in response to parallel domestic developments. Hence, the analysis needs to be broadened (Kohle-Koch 2002). In this case, the local level strategies are closely related to parallel national developments. However, the Commission has provided local actors with new ideas about where to find solutions to their problems. In other words, through its mobilization efforts, the Commission has provided them with an opportunity structure. They have consequently started defining themselves as European actors, in turn putting pressure on the state to involve them in other EU-related issues such as drafting the NAP and employment guidelines.

5.3 Policy networks

The decoupling of actions at the European level and presentation at the national level also seems to be challenged by the processes of institutionalization and socialization of national civil servants participating at the EU level – thus also creating pressure for change from above. One way to understand it is that a specific logic of action is created within the tight networks of employment policymakers active on the EU arena. These networks were created around the committees, notably EMCO and EPC, where central actors from the respective member states and the Commission came together to discuss and develop guidelines, as well as other employment policy issues. The cooperation and close contacts facilitated more informal interaction as well as exchanges of ideas and best practices. In turn, the interaction created a common understanding of problems and challenges. In this way, new ideas may be picked up, developed and transferred within the EU networks and lead to national-level changes. It also seems increasingly legitimate to receive criticism and suggestions on national policy choices through this intense interaction; the actors have been socialized (see also Jacobsson & Vifell 2005). Although Sweden was quite certain in the beginning that there was not much to be learned from the other member states, there seems to have been a change in this self-perception. The networking between central actors in the national policy
processes has led to exchanges of ideas. In 2002, a ministry representative stated there was ‘no role for the local actors in the EES’ since it was an issue dealt with by the government. Two years later, a quote from the same official talking about the inclusion of stakeholders confirms an attitude shift: ‘You could call it a children's disease. We looked at it differently and from the point of view we had back then, they were not important’ (interview ministry level 2004). Participating in benchmarking and NAP production, where national ideas are presented in light of common challenges, has in some respects disproved the notion that the EES has little or no relevance to Sweden (personal communication with other member state representatives and Commission officials. This finding means that Swedish policy is now partly being created elsewhere, with some national and local actors lacking access.

The small and closely coordinated group working on the EES has limited contacts with other parts of the Swedish administration, partly due to the time consuming activities of networking at the EU level. They were hence fully embedded in the EU-process and at the same time disembedded or disconnected from influence from other national actors. The situation also includes working far from national politicians both within the government and the parliament. The group is thus rather part of a European network, and spends a lot of time in an environment where different working procedures and ideals prevail. Since the organization is purely ad hoc and informal, the formal procedures of the Swedish administration are in a sense bypassed. Tools such as written instructions and government approval documents, which are seen as the major instruments for governing the public administration in Sweden, are not applied since they are regarded as too inflexible for the guideline process. The demands and responses described by the administration has had very little to do with relating to the formal requirements of political governance at the national level. In addition, elected officials at the ministries, as well as the national parliament, were, as was noted, not involved in the complex EU level decision-making. They had very vague notions of what was at stake and how the administration acted to create and pursue Swedish interests.

Furthermore, even though an adjustment might only pay lip service, other processes enforce the changes taking place. The theories on institutionalisation demonstrate that when organizations present themselves in a certain way, they will be judged and treated according to this norm. In this case, Sweden presented itself as a member state that believes in the collective benefits of the EES and was treated as such by other national organizations, but also for EU actors and the Commission, which continuously evaluates Sweden’s performance. An organization that acts as if it shares ideals and goals with others may initiate a process of identity transformation. Combined with the development of shared frames of reference with other member states within the EU network (Jacobsson & Vifell 2005), this has arguably led to a transformation of ideas and beliefs on appropriate behaviour among those officials working with the EES. The accepted forms of behavior have changed through a process that forces national actors to work informally, to closely coordinate their activities, to follow EU-rules and to adjust national priorities to the EU agenda. Practical activities may also change the rationale behind the actions from just lip service to an actual belief in the benefits of the changed behavior. We could, for instance, observe how beliefs regarding the role of local actors changed. Generally, there was a clear difference in how these actors talked about the benefits of EES three and four years later. Comments such as ‘you can’t always think that we have already found the best solution’ (interview ministry 2004) and ‘we have learned a lot from the UK concerning their measures for youth unemployment’ (interview ministry 2004) represent some of the views presented during the second round of interviews. These findings suggest that Sweden has in some ways become the image it originally intended as ‘window dressing’ at the EU level. However, there was still a strong desire to claim that EES did not affect national policies. When the national Labor Market Board was assigned tasks stemming from the EES, no reference was made to the EU.

6. Conclusions

This paper has shown that in the process of drafting new EES guidelines, the Swedish administration faced the incompatible demands stemming from different parts of its organizational environment. On
the one hand, Swedish representatives had to act according to the EU norms of cooperation and create alliances with others, participate in networks, but also show conformity with the procedural rules particular to the EES, in order to be seen as a legitimate actor with the ability to influence EU rule-making. On the other hand, EU influence on Swedish employment policy was an illegitimate concept at the national level. The official view of the Swedish government is that the EU does not cause any changes at either the policy level, or in terms of changed practices and working methods. The study shows that the solution to the situation can theoretically be understood as decoupling of different parts of the organization, as well as a separation between how activities are discussed, and how they are implemented in practice. Different parts of the environment could thus be satisfied simultaneously. First, separate units handled EU issues and national employment policy and certain national actors were excluded from the EU process to limit the EES' influence in Sweden. Second, different things were said at the European level and the national level. For instance, in order to show compliance with the EES-procedures, Sweden invited the social partners to participate. However, these organizations were only allowed to comment on already written statements and played no real role in the process. Arguably, then, the purpose of that alliance was to legitimize Sweden's adherence to EU procedures. Also, ideas stemming from the EU level were introduced in Sweden without any mentioning of their origin so that any EU influence could be denied. In studies of decoupling, it is most often talked about window dressing and of unchanged practices, but in this case we can actually see the opposite: the surface looks the same, but the practices behind the scenes have changed.

Having said this, the success of decoupling should not be overemphasized. Local and regional actors picked up ideas introduced at the EU level, and tried to use these to exert pressure on the national government. Roles at lower levels of the administration were redefined, creating new ways for actors to achieve their goals. There was also pressure from above in the form of a transformation of the administration's organizational identity through the participation of national actors in EU processes. Close interaction between central civil servants in the member states and the Commission has created networks. The development of such relationships makes it easier to call a colleague from EMCO or the Commission, rather than someone at the national ministry who might be unfamiliar with the EES, to find information or discuss policy measures and ideas. Participating in European networks has introduced new ideas and policy approaches, and the socialization of central civil servants who take active part in policy making in Sweden has partly changed where Swedish policy is actually created. By presenting itself as a fully committed EU-member state, following rules and participating in various kinds of cooperation, the organization itself has changed. The acceptance of new forms of behavior makes it possible for central civil servants to develop national policy together with colleagues in other member states or from the Commission. Hence, although decoupling, rather than adaptation, may be the initial result of reconciling disagreement between national and EU demands, more caution and a longer-term analysis of the process is necessary before concluding that decoupling is a sustainable solution.

Finally, another important conclusion is that the administration’s management of conflicting demands has led to a situation where altered practices have not been met by corresponding changes in formal structures due to the fact that Swedish representatives are in a sense ‘speaking with forked tongues’. The downplaying of the impact of the EES at national level may therefore generate democratic shortcomings in terms of limited transparency and reduced accountability that might need further investigation. The use of the sociological approach of neo-institutional organization theory thus provides insights into how complex international decision-making may change national policy-making structures. Although decoupling strategies are initially used as a buffer from external influence, the participation in such complex processes may still change the organizational identity. This results in an alteration of national policy-making structures and redefinition of roles for various actors both at ministry level but also further down at local level as all parts of the national administrations become embedded in the multilevel governance of the EU. The intense networking at the EU level closely involves sub-units of the national administrations with their counterparts in other member states and in EU organizations. At the same time, these actors become somewhat disconnected from the national organizations to which they formally belong. In these policy networks, policy-makers and experts formally or informally come together and exchange ideas on
how to handle new policy measures. Studies like this show that the formal governance does not correspond to how the administration operates in practice, as the informal character of the process creates a need for more flexible and faster tools. The informal networking at the EU level and the complex and fragmented character of the process also made it difficult for actors not participating directly to influence or even observe what was occurring. This situation is also true for the political leadership, which did not play an active role in the network governance emerging around the OMC processes. Thus the case illustrated and confirmed assumptions made in the sociological approach used as it was clear that preferences are shaped through interaction with others and that the consequences of participating in complex EU decision-making procedures left the administrators partly out of reach for the national politicians. Acting strategically to obtain predefined goals may therefore not be the most accurate way of understanding organizational behavior under uncertain circumstances in terms of possible goals and strategies (Brunsson 2002; March & Olsen 1989). Instead, organizations must urgently respond to new situations by living up to expectations from the organizational environment and behaving in a legitimate or acceptable manner. Through applying a sociological institutionalist perspective, this study contributes to this new way of understanding the effects that an increased embeddedness of states, often characterized as Europeanization, has on national administrations.

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**Endnotes**

(1) The issue of democratic legitimacy in relation to the OMC - but also in relationn to soft law more in general - has been discussed in contributions by for instance Mörth and Scharpf (2004)