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Implementing the revised European Employment Strategy – North, South, East and West

First working paper of the research project 'Danish employment policy
in a European perspective'

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Foreword

This working paper is the first publication in the research project: *'Danish employment policy in a European perspective – a comparative study of the European Employment Strategy'* under FAOS' research programme 2004-2009 *'Internationalisation, multi-level regulation and the Danish model'*. The *present working paper* focuses primarily on the implementation of the strategy in the member states up to mid-2004 - that is, 18 months after the revision of the strategy. *Another working paper*, to be published in June 2005, will analyse the processes around the revision and the further development of the strategy at the EU level up to mid-2004. The *main report* of the two reports will be published in mid-2006. It will contain the findings from the two working papers, as well as analyses of the further developments from mid-2004 to late-2005 in the reformulation of the strategy at the EU level as well as developments in the strategy's implementation in the member states.

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1. Introduction

1.1 The EES and the reasons for studying it

There are many reasons why the EU decided to introduce an employment strategy, but the pressure from the Delors Commission (1985-95) to balance the EMU and the single market with a social dimension is no doubt among the most important ones. The white paper on growth, competitiveness and employment legitimised an increased focus on employment matters and policies. Following advice in this white paper, it was decided to establish a common European framework for employment policy at the Essen summit in 1994.

With the Amsterdam Treaty in 1997, employment policy gained an even more central place in the EU: following a proposal from the Commission, the European Council became obliged to agree every year on a series of guidelines setting out common priorities for Member States' employment policies and to issue recommendations. At the Luxembourg summit later that year, the European employment policy was specified, and it was agreed that the employment policy should focus on actions within these four pillars: improving the employability of the workforce; entrepreneurship; the adaptability of employees and companies, and equal opportunities for men and women. Each of the four pillars contained a number of guidelines that the member states had to transform into practical employment policy in yearly National Action Plans for Employment (NAPs). The four pillars became the backbone of the European Employment Strategy (EES) – also known as the Luxembourg process – and remained so until 2003.

Since 1998 the strategy has taken the form of a yearly circular process: following a proposal from the Commission, the European Council must agree every year on a series of *Employment Guidelines* setting out common priorities for Member States' employment policy. Each Member State will then draw up an annual National Action Plan for Employment (*NAP*) describing how these Guidelines are to be put into practice nationally. Then, the Commission and the Council jointly examine each NAP and present a *Joint Employment Report*. The Commission is to present a new proposal for revision of the Employment Guidelines accordingly for the following year; however, since 2003 the guidelines have remained the same. The Council may decide, by qualified majority, to issue country-specific *recommendations* upon a proposal from the Commission. The Council has done so every year since 2000. After the Lisbon summit in 2000, this yearly cycle became known as the Open Method of Coordination (OMC), and has spread to other areas of EU regulation, primarily on social inclusion, pensions, and economic policy (Radaelli 2003: 31).

After five years, the EES was revised in 2003. The revision led to a new timing within the cycle and put the EES on the same timeline as the Broad Economic Policy Guidelines. But no fundamental changes were made in the

cycle itself. Regarding the content, the guidelines were connected to three broad goals instead of the four pillars. The three broad goals were to create full employment, to increase the quality and productivity of labour, and to strengthen social cohesion and inclusion.

The guidelines themselves were simplified, reduced to only ten, and made constant for a three-year period. The ten new guidelines concern: 1) active and preventive approaches for the unemployed and inactive; 2) job creation and entrepreneurship; 3) addressing change and promoting adaptability and mobility in the labour market; 4) promoting development of human capital and lifelong learning; 5) increasing labour-force participation and promoting active ageing; 6) gender equality; 7) promoting integration and combating discrimination against people at a disadvantage in the labour market; 8) making work pay through incentives to enhance work attractiveness; 9) transforming undeclared work into regular employment; 10) addressing regional disparities.

Prior to the revision, the strategy was evaluated in 2002. National evaluations were summed up and concluded upon by the European Commission (European Commission 2002). The evaluations focused on compliance between EES and national employment policies, but also contained some reflections on impact. The Commission concluded on the national evaluations that, even though the main employment policy features in some countries were already in place prior to the Luxembourg summit, the EES has strengthened the national policy framework and focused attention on targets and deadlines; that it has started a process of convergence between the member states' employment policy towards prevention of long-term unemployment for specific target groups, and increased activation; that its recommendations and peer review process can be assumed to have supported the process of convergence; that in member states where active labour market policies (ALMP) were already in place, the pace of the reforms has been maintained and employment policies reshaped in line with the strategy; that among some of the 'laggards' the EES has directly inspired employment policy reforms; that the EES has impacted on other policies than ALMP (under the employability pillar), such as social inclusion, lifelong learning and education, equal opportunities, labour market regulation; and finally that the EES has improved inter-ministerial coordination and the involvement of regional authorities, social partners and NGOs (ibid.: 11-13).

Looking into the national evaluations, it has proved difficult to point to specific examples of EES impact on national-level employment policy, especially when it comes to the *content* of the policy (the employment policy programmes and the economic resources spent on them). However, these official evaluations as well as other studies indicate that the impact on *policy processes* (e.g. the level coordinating governmental departments, consultation with the social partners, NGOs and regional governments, the use of evaluations and statistics, etc.) has been more profound.

Firstly, because the inter-sectoral nature of EES, covering a wide range of sectoral policies, has had an impact on the level of inter-ministerial coordination, as also the Commission's summary of the official country-specific evaluations concludes. Some studies of the 'old' EES indicate that coordination has improved in some member states simply because writing the NAPs demands a certain level of inter-ministerial coordination (e.g. López-Santana 2004). Secondly, other studies of the 'old' EES conclude that EES seems to have facilitated the introduction of evaluations and quantification, or to have extended the use of evaluations and indicators in some countries (e.g. Andersen & Mailand 2002). Thirdly, the EES has, according to some sources, reintroduced or improved the social dialogue in some of the countries where this was least developed (Foden 1999; Jacobsen & Schmid). Fourthly, the strategy has been central to the employment policy debate in some countries (Langhoff-Ross 2001).

To sum up, the official evaluations as well as independent research on the EES offer some information on the impact of the EES on national-level employment policy. However, the information is limited and it is difficult to compare findings across member states, because the few existing in-depth studies tend to focus on one member state only. The impact from the EES seems to be limited, but also varying across countries – and the intensity seems to vary both in relation to policy content as well as policy processes. A further consequence of this lack of comparative impact studies is that knowledge is lacking on what factors are decisive for the impact of EES. If such knowledge were provided, it might help explain the uneven impact of EES and perhaps even lead to some policy recommendations. Therefore:

1.2 The aim of the report

The aim of this working paper will be to *estimate the extent of the impact of the EES on member states' employment policies*, and to *discuss which factors are decisive for the extent of the impact*.

1.3 Theoretical framework

For many years, the dominant theories on European integration were neo-functionalism and inter-governmentalism, where the former approach emphasises supranational institutions and gradual integration potentially leading to new federalism, and the latter emphasises the sovereignty of national states and the limits to integration.

Scholars based in the USA developed *neo-functionalism* in the mid-1990s. The fundamental argument of the theory is that states are not the only important actors on the international scene. The neo-functionalists focus their attention on the role of supranational institutions and non-state actors, such as interest groups and political parties who, they argue, are the real driving forces behind

the regional integration efforts. Neo-functionalists believe that economic integration will strengthen all the states involved, and that this will lead to further political integration (Strøby Jensen 2003). This general argument is supported especially by three theses that have been central to the neo-functionalists:

The spillover thesis refers to a process where political co-operation conducted with a specific goal in mind leads to the formulation of new goals in order to achieve the original goal (Lindberg 1963). This means that political co-operation, once initiated, is extended over time in a way that was not necessarily intended at the outset. The elite socialization thesis describes that over time civil servants and politicians involved on a regular basis in the supranational policy process will tend to develop European loyalties and preferences. Finally, the supranational interest groups thesis emphasises the formation and role of supranational interest groups. These groups approach each other internationally and formulate demands at this level while at the same time the national level of these organisations tends to deteriorate (Haas 1958).

The other classic approach to the study of EU integration, *inter-governmentalism*, emerged in the mid-1960s out of a critique of neo-functionalism. It builds on the classical theories within International Relations, more precisely realists or neo-realist analyses of interstate bargaining (Cini 2003: 94). Inter-governmentalism is characterised by 'state-centrism'; that is, it emphasises the role of national states in the European integration - or 'co-operation' - as it is more often called within this tradition. States are believed to be driven by self-interest, and integration is understood as a zero-sum game, limited to policy areas that do not involve fundamental issues of national sovereignty.

A central theme in inter-governmentalist literature is the question of sovereignty. Member states are believed not to lose or transfer sovereignty in European cooperation, but rather to be pooling or sharing sovereignty (Keohane & Hoffmann 1991:277). Hoffmann, the founder of this approach, rejected the idea that integration was driven by the spillover effects, and furthermore pointed to a lack of political will to create a federal state in Europe. He distinguished between high and low politics, where the former concerns national sovereignty, whereas the latter does not, and tends to be of a more technocratic character. Low politics includes, among other things, economic policy. Spillover was possible in low politics, but would not take place within areas of high politics.

Whereas the neo-functional theories after a short revival in the late 1980s and early 1990s as a result of the intensified EU integration have lost most of their attraction, some inter-governmentalists have continued to attract a great deal of attention. Moravcsik's theory of 'liberal inter-governmentalism' is probably the most influential of these. Moravcsik distinguishes between demands for co-operation and supply of co-operation. The demand for co-

operation derives from the domestic societal actors that are represented in political institutions, whereas the supply of integration arises out of inter-state negotiations. To explain the connection between supply and demand, the theory introduces three elements: the first element is national preference formation, where states' goals are shaped by domestic pressures and interactions, which again derive from economic interdependence. The second element is about the supply of integration. Here strategic bargaining between states and the importance of governmental elites are emphasised, whereas supranational institutions such as the EU Commission are believed to have very little impact. The third element, also on the supply-side, is the institutional delegations to for instance European institutions. These delegations have to commit states on the bargaining results they have made. Together, the three elements result in integration outcomes (Moravcsvik 1998).

These two theoretical traditions have not completely lost their relevance, but they attract less attention now than previously. In recent years, a number of other approaches have entered the scene (for an overview of these, see e.g. Rosamond (2003) or Goechty (2003)). On top of the inability of the older theories to fully explain the development in European integration, the reason for this is also to be found in the fact that the aim of research has shifted from understanding the EU as a dependent variable, something to be explained, to using the EU in research as an independent variable, as a factor that contributes to the explanation of other phenomena (Jachtenfuchs 2001; Cini 2003). The present report is clearly a case in point of this latter category.

Among the most recent theories, or approaches, multi-level governance is among the most prominent. According to the *multi-level governance approach*, the relations between the EU institutions and the national states are of another type than those proposed in the two classical theoretical traditions. The boundaries between national policymaking and EU policymaking have become blurred to the point of insignificance. Instead of the two-level game assumption adopted by some of the inter-governmentalists, multi-level governance theorists posit a set of overarching, multi-level policy networks (Marks et al. 1996). The central question here is not to what extent Europe has become 'integrated', but how authority has shifted between different levels over the history of the EU.

In the multi-level governance approach, powers are shared as well as spread between different levels and a multitude of actors. For Madsen et al. (2000) - applying the approach to Industrial Relations studies rather than International Relations - multi-level regulation is not necessarily hierarchical. It may be a matter of bottom-up influence rather than top-down steering, i.e. a form of reversed hierarchy. But it may also be a matter of a shifting or failing connection between the different levels. A more horizontal ad-hoc form of governance, either in the form of *market regulation* or *network governance*. Multi-level regulation is thus primarily characterised by the absence of any overall centre of control. It is a system that reflects the complexity of the labour

market. A system where no evident centre is to be found, but where tendencies of internationalisation, decentralisation and continued centralisation co-exist, where both individual contracts, collective agreements and legislation are found, and where many actors with diverse interests influenced by new norms and values participate.

The multi-level governance approach in its various forms remains nevertheless mostly an 'organising metaphor' that has to be filled in with other and more operational theoretical approaches (Rosamond 2003: 121). This is also true in relation to the EES, where multi-level governance like neo-functionalism and inter-governmentalism has very little to say about the mechanisms that the EES actually works through. Therefore, it is necessary to look elsewhere for analytical tools capable of informing of and organising the study of impact, and at the same time being applicable within a multi-level governance approach.

Jonathan Zeitlin has provided an overview of possible mechanisms for impact of EES and other OMCs. Zeitlin - partly building on the work of, *inter alia*, Barbier (2005), Ehrel et al. (2005), Ferera et al. (2002), Jacobsen (2002), Vifell (2004) and Visser (2005) - distinguishes between four mechanisms of influence: 1) peer pressure, 2) socialization and discursive diffusion, 3) mutual learning, and 4) strategic use of OMC processes as a 'lever' (Zeitlin 2005: 31-38).

Peer pressure is the pressure that member states put on each other to reach common targets and carry out mutually agreed commitments. The pressure works through the recommendations as well as other forms of communications from the EU level, such as the Joint Employment Reports and the first Kok report (Employment Taskforce 2003). Also the meetings in the Commission's and the Council's joint Employment Committee can be a channel through which peer pressure can work. That peer pressure is not just a theoretical possibility, but, to some extent at least, is part of the way the strategy work is illustrated by the fact that member states in bilateral meetings try to avoid or reformulate the recommendations, and that many member states especially try to avoid quantitative targets.

Socialization and discursive diffusion for instance take place when a common discursive frame of reference for national employment policies is developed through participation of high-level civil servants in EU committees, and through the adoption of a common vocabulary and reporting formats. In this environment, member state representatives cannot simply advance positions on the basis of naked national interest, but must instead use reasoned arguments grounded in the common objectives, guidelines, targets and indicators.

Whereas the two first mechanisms that the EES works through could be said to be primarily vertical, in that the EU institutions are the subjects and the member states the objects, *mutual learning* takes place horizontally - that is between the

member states. Zeitlin distinguishes between indirect and direct forms of learning. Indirect learning works through a combination of enhanced awareness of different approaches and performance standards elsewhere, on the one hand, and 'reflexive self-assessment', including improvements in institutional capacity for information gathering and monitoring on the other. Direct learning - also named policy transfer - takes place when policies are copied from models from abroad on the basis of evidence of what works and what does not work.

Strategic use of the EES by national and sub-national actors is, according to Zeitlin, probably the most effective mechanism of domestic influence. The EES may be used by national governments for external legitimisation of unpopular measures or reforms; however, the mechanism also works in inter-ministerial struggles as well as for non-state actors, for instance the social partners, in their attempts to legitimise their own positions or move the government or other non-state actors in certain directions.

Even though these four mechanisms for EES impact in member states are partly overlapping, they could be said to be primarily connected to rational choice and social constructivist/discourse theoretical understandings respectively. Socialisation and discursive diffusion as well as mutual learning belong to the latter category, because these mechanisms for EES influence focus on changes in relation to norms, values and language. The actors act in accordance with a 'logic of appropriateness', that is, according to commonly agreed norms and values, and they change their behaviour when these norms and values change (March & Olson 1989). The peer pressure and the strategic use, on the other hand, belong to a rational choice approach, where the actors act strategically to maximise their self-interests. That this is the case in the strategic use is obvious, but also the peer pressure mechanism works in accordance with a self-interest maximising rationality.

The following analysis will focus on the two rational-choice connected mechanisms, peer pressure and strategic use, in the analyses of the impact of the EES. The reason for this is not that the two other mechanisms are believed to be less important, but because the main interests behind this part of the project is to focus on the opportunity to *deliberately and directly* steer and coordinate policies. The focus on peer pressure and strategic use could be said to represent more direct forms of impact than both learning and socialization and creation of discourses, and therefore better suited to fulfil this underlying ambition.

1.4 Hypotheses

A number of hypotheses have been developed on the background of studies of EES impact published before 2004. The three hypotheses below do not represent an attempt to make an exhaustive list of possible hypotheses. All three hypotheses relate to some extent to the mechanisms peer pressure and strategic use.

The 'compliance hypothesis': The more a member state's employment policy is in compliance with the EES prior to the introduction of EES, the less impact the EES will have. The EES could be expected to have the strongest impact in cases where the level of compliance was low, simply because peer pressure in these cases would probably be the strongest. Earlier studies have pointed to Sweden, Denmark, Finland and the UK as countries which prior to the introduction of EES had developed policies in compliance with what later became the EES (e.g., see de la Porte & Pochet 2003).

'Consensus hypothesis': The more the key actors agree on employment policy, the less impact the EES will have. The strategic use of the elements of EES will be influenced by the level of agreement on employment policy at the national level. A very high level of agreement on the main lines of employment policy among the key actors in employment policy would be expected to lead to less frequent strategic use of the EES as a way to justify positions, because the main lines of the policy is not a matter of controversy. It is not possible to justify the use of EES in more detailed issues, simply because the EES does not address very technical and detailed issues in recommendations or otherwise. Direct references to cases where the EES has been used in political debates have been found, among others in Sweden in connection with tax policy where the Swedish employers' organisations referred to the EES recommendations to justify their own position (Jacobsson & Schmid 2001). Denmark has been argued to be a country where consensus on the employment policy is so strong that it blocks the impact EES (Langhoff-Roos 2001).

'Ideology hypothesis': The greater the ideological compliance between a government and the EES, the more impact the EES will have. Even though the EES is a compromise between different perceptions of employment policy, and has been developing over time, the EES could be still said to have a social-democratic bias (Madsen 2003a), and Socialists/Social Democrats have also played an important role in the development of the strategy (Johansson 1999; van der Riel & van der Meer 2002). Therefore, national governments might be more likely to use the EES strategically if the EES complies with the government's political aims and ideology, and might also be more open to peer pressure than liberal or conservative governments.

1.5 Selection of member-states for comparison

In order to test these hypotheses and discuss other possible ways the EES might have impacted on national-level employment policies, four member states have been selected. These are Denmark, the UK, Spain and Poland. The four member states represent maximum-variation cases. The choice of this approach maximises the opportunities to generalise the results, because it makes it more likely that a finding of the same feature in all these four countries would also be valid for other EU countries (Preworski & Teune 1970:39; Flyvbjerg 1991:150).

The four countries represent maximum-variation cases in at least two ways. Firstly, they represent different ‘welfare regimes’ (Esping-Andersen 1990), ‘workfare state regimes’ (Jessop 1994) or ‘unemployment policy regimes’ (Gallie & Paugham 2000). There are important differences between these versions of regime theory, but generally speaking, Denmark represents a universalistic Scandinavian or social-democratic model, with an extensive coverage of unemployment benefits, but also a very extensive ALMP and important roles to play for the social partners. The UK represents a liberal model, with limited and means-tested benefits, limited coverage, weakly developed ALMP and extensive use of the market mechanism. Spain often figures in older versions of regime theories as part of a ‘continental’ or ‘conservative’ model, but in more recent versions the country often figures as part of a ‘statist’, ‘sub-protective’, or ‘southern’ regime with very limited benefits and coverage, very weakly developed ALMP and state regulation as the dominant form of welfare-state labour market regulation.

Poland - as one of the new EU member states - has been difficult to fit into the existing regimes. The Central and Eastern European countries, as a heritage from the Communist era, have elements of the statist model, emphasised by some observers (i.e. Kohl & Platzer 2004). Others have seen it as a hybrid model with neo-liberal elements, but also a role for the social partners, which qualifies to label the model ‘transformative corporatism’ (Iankova 1997). Yet others talk about ‘illusory corporatism’ or ‘neoliberal tripartism’, and see labour in the new member states as lacking any form of class identity. According to this interpretation, the trade unions are involved in a neo-liberal project containing their own exclusion (Ost 2000). The very low percentage of unemployed receiving unemployment benefits in Poland places the country in what Gallie & Paugham have called the ‘sub-protective’ regime. At the same time, however, the percentage of the population receiving disability pensions is the highest in the OECD.

The hypotheses are not directly linked to these regimes, but the regimes could nevertheless be expected to influence the impact of the EES indirectly, first and foremost because the liberal and Southern regimes could be expected to be much less in compliance with the EES than the continental and especially the social-democratic welfare- state regimes.

Secondly, the four countries represent *variations in the degree of impact in the studies published prior to 2004* (the year that marked the beginning of the present project). These studies cover almost exclusively the ‘old EES’ from 1998 – 2002. Even though systematically comparative studies are lacking, the studies referred to in the presentation of the hypotheses describe a general low level of impact of the EES in Denmark and the UK, will the expectations from the studies published before 2004 lead to inconclusive expectations regarding the impact of EES in Spain. Regarding Poland, no studies known to the author have been published in English prior to 2004.

1.6 Methods and delimitations

The most important data sources for this working paper are: 1) texts from EU institutions, including the Joint Employment Reports, the Employment Guidelines and the Recommendations; 2) government publications, including employment policy legislation and NAPs; 3) 31 semi-structured face-to-face interviews with EU-level and national-level civil servants, EU-level and national-level social partners, members of the European Parliament and academic experts (see Annex A for details); 4) academic texts analysing EES impact at the national level and national-level employment policy. These four data sources are not equally important. The face-to-face interviews have been of special importance for the findings, in that they often represent the only source of getting information of impact.

The project and the working paper will limit the analyses to the interplay between the EU and the national level, even though a full analysis of the impact would have to include the sub-national levels - that is, the regional/local level, the enterprise level and the interface between clients and the welfare state. But to focus the analysis and allow space and time for an impact analysis of all possible areas of EES impact, the sub-national levels will not be included.

The exclusion of the sub-national level has consequences for what will be understood by 'impact', too. What could potentially be influenced at the national level is policy formulation and policy orientations of the actors, most importantly employment legislation and employment policy programmes. The implementation of the policies - which primarily takes place at the sub-national level - is beyond the focus of this study, and will only be commented on occasionally.

The descriptions of the employment policies in each of the four member states obviously draw on each country's National Actions Plan for Employment (NAPs), but will predominantly rely on other sources. This choice has been made to avoid the positive bias in descriptions of employment policies inherent in most NAPs. The descriptions of the national-level employment policies will both contain a general description of the content and processes of policies in each country, and an analysis of the EES impact on the policies.

'Employment policy' will in this working paper be defined as all policies related to the ten Employment Guidelines. The sections on the impact of the EES will therefore not distinguish between the different policies related to the ten guidelines and thus included under the 'umbrella' of employment policy (passive and active labour market policy, employment regulation, tax policy, industrial policy, educational policy, social policy, gender policy, immigration policies, etc.). A full description of all these policies is, however, not possible within the limits of this working paper. Consequently, the descriptions of national-level employment policies will concentrate on what - especially during the first five years of the EES - has constituted the core of the EES, namely the active labour market policies and to some extent also education and training

policies. Nevertheless, some elements of the other policies will be found in the short descriptions as well.

Time-wise, the working paper will focus on the development in the period from 1998 when the first NAPs were written to the end of 2004. However, the main emphasis will be on the revised strategy, starting in 2003.

1.7 Structure of the report

After this introduction, the four country studies will follow. Each country study contains: 1) a description of the content of the most important employment policy programmes during the last approximately 15 years, with a special focus on recent ALMP programmes; 2) a description of the policy processes around 'indigenous' employment policy and the NAPs; 3) an assessment of the impact of EES on the employment policy; 4) a short discussion of fits and misfits between the government's ideology and the EES; and finally, 6) a summary and discussion of the relevance of the hypotheses, as well as of other factors decisive for the impact of the EES in that particular member state.

The four country studies will then be followed by a comparative discussion of the findings, including an overall estimation of the impact of EES and the factors decisive for the impact. The final section ends with a discussion, on the background of the working paper's findings, of the perspectives for the research into the EES and the perspectives for the future of the EES.

As stated in the foreword, the present working paper is part of a three-year research project, 2004-2006, which focuses on the redevelopment and implementation of the EES. The findings from this working paper are therefore preliminary. Implementation of the EES in the four member states in question will also be observed in 2005 and analysed further in the final report.

2. Denmark

2.1 Main employment policy programmes

The most important employment policy programmes until 1993

The development of Danish active labour market policies (ALMP) initially reflected an attempt to respond to the country's prolonged unemployment crisis in the 1970s and 1980s. As policy makers began to realise that the crisis was a far from temporary phenomenon, steps were taken to restrict the coverage and level of unemployment protection, and a limited range of activation measures, mainly targeted young people, were introduced. The Social Democratic government's employment subsidy (*Jobtilbudsordningen*) and work experience project (*Ung i Arbejde* and later *Jobskabelsesordningen*) found little favour among private employers, so local authorities soon became the primary employers of activation participants.

The centre-right coalition, which came into power in 1982, introduced budget cuts, combined with a series of reductions in unemployment benefit levels (Etherington 1998). Among the active measures retained, education and training was given more preference over more costly employment-subsidy options, while the public employment service (AF) was encouraged to focus on its role as a job broker rather than an activation agency. Yet the persistence of the unemployment problem forced activation back on to the political agenda in the late 1980s. Changes in the national and international policy discourse had made it more acceptable to discuss whether the behaviour of the unemployed could be altered by economic incentives and compulsory activation measures. Denmark's first compulsory activation programme, the Youth Allowance Scheme directed towards social assistance claimants aged 18-19, was introduced in 1990 (Rodahl & Weise 2000). Perhaps more importantly, a pre-legislative committee (*Zeuthen-udvalget*), including representatives from the social partners and all the main political parties, was established in order to examine options for policy reform. Progress in terms of specific policy developments was slow prior to the election of a new Social Democratic-led government in 1993, but the process of reform from "cash line to work line" had begun.

Employment policy of the Social Democratic-led governments 1994-2001

Denmark's new centre-left government was formed soon after the publication of the 1992 Zeuthen committee's report. The report called for a major shift towards activation policies in an attempt to counteract structural unemployment and curtail the seemingly inexorable rise in spending on 'passive' social security measures. The report's findings were largely accepted by the Social Democratic-led coalition government, and formed the basis of a series of radical

reforms introduced from 1994, both in relation to the steering of the policy (see next section) and the content.

This new framework regulated the implementation of a range of new employment and training measures, that until 2003 included: 1) individual guidance: involving the setting up of individual action plans for each unemployed person, as a precondition for the following measures; 2) education and training: delivered through vocational training or traditional further education institutions, and by far the most-used measure for the insured unemployed; 3) 'job training': mostly used for insured clients, and involving subsidised work placements for at least six months with a public or (far less likely) private-sector employer; 4) 'individual job training': designed to improve the basic personal skills, motivation and job-readiness of participants, and targeted at more disadvantaged clients, mostly uninsured unemployed. Although this provision can take the form of subsidised work placements in the private or voluntary sector, it is most often delivered through 'employment projects' run by local authorities. 5) 'jobs on special terms and conditions': flexible work placement initiatives targeted (uninsured) unemployed people with a reduced capacity to work (Mailand 1999; Rosdahl & Weise 2000).

The establishment of these active measures was linked to a more aggressive approach to activation, which has particularly impacted upon the young. In 1996, the Youth Allowance Scheme was extended to include 20 to 24-year-olds and renamed the Special Youth Initiatives. The initiatives now target all young people with no formal educational or vocational qualifications who have been unemployed for a total of six months within a continuous period of nine months. Those meeting the eligibility requirements have a *right and duty* to participate in education or training for at least 18 months, and received a training allowance worth approximately 50% of unemployment benefit. It has been suggested that this benefit reduction has 'encouraged' many young people to enter full-time education or work before becoming subject to the Special Youth Initiatives (Nord-Larsen 1997). Young people with qualifications face a similar level of compulsion (they are duty-bound to accept activation before they reach a six-month-duration threshold) but are allowed the same, much broader, choice of training options as older job seekers. Further changes have tightened eligibility criteria and entitlement periods for unemployment (insurance) benefits, while activation is now imposed on all job seekers before twelve months of unemployment.

The reform process also targeted social assistance claimants (who are subject to 'social policy' supplied through local authorities). The first compulsory activation scheme was, as mentioned, targeted the uninsured unemployed. In 1994 the target group for early activation was extended to those under 24, and with the 1998 social reform up to 29-year-olds, and – perhaps more importantly – the right and duty to activation was also in principle extended to 'those with problems other than unemployment', including the disabled and those suffering

from mental problems, alcohol problems, etc. (Berg Sørensen et al. 2000). Training initiatives for young people in this client group have replicated the provision offered to the insured unemployed, with all uninsured job seekers also facing a compulsory personal interview. However, uninsured young people (here defined as those under 30) are required to participate earlier - prior to a three-month threshold. The pattern of programme usage also differs between the two client groups (see above); however, it should be noted that many severely disadvantaged people among the uninsured unemployed population are *de facto* protected against activation by the administrative practices of local authorities (Larsen et al. 2001).¹

Table 2.1: Main Danish employment policy programmes 1990 – 2004

1994 Labour Market Reform – including leave schemes
1996 Labour Market Reform, phase 2
1998 Social Policy Reform
1999 Labour Market Reform, phase 3
2002 Reform of the Act on Integration
2003 More People Into Employment

The Social Democratic-led governments of the 1990s not only increased investments in human-capital-oriented ALMP, they also introduced a number of leave schemes carrying the right to social security benefits. The aim of these schemes - educational leave, parental leave and sabbatical leave - was to give employees an opportunity to improve their qualifications, spend more time with their children etc., and by doing so provide temporary job-openings for the unemployed. However, when the labour market tightened during the 1990s, the leave schemes were made progressively less attractive, and the use of them declined.

Employment policy of the centre-right governments 2001-

After a new centre-right government came into power in 2001, a new labour market reform 'More people into employment' took effect in 2003. To some extent it builds on the plans of the previous government, but it also contains some brand new measures. With the reform, the skills upgrading of the unemployed was considerably reduced. More emphasis is now placed on guidance and contact meetings, as well as subsidised job training. In a sense this can be seen as a change of course compared to the active labour market policy

¹ Larsen et al. (2001) have estimated that between one-third and two-thirds of eligible social-assistance clients are not subject to activation. Given their semi-autonomous status, there are no formal procedures for sanctions against local authorities not activating clients. Clients not participating in activation receive 'passive' benefits.

of the 1990s. However, due to increasing unemployment and major redundancies in the wake of the offshoring of manufacturing jobs to low-wage countries, the government has opened up for more training, especially for unskilled and low-skilled unemployed (Larsen & Mailand 2005). In addition, a number of changes have been made in relation to the steering of the policy (see below).

Not all the important new employment initiatives of the centre-right government can be found within the active or passive labour market policy. Integration policy immigrants now has a higher profile than previously, and is much more focused on labour market integration, i.e. it is more closely linked to labour market policy than previously.

The first phase of the integration policy reform (2002) included, *inter alia*, lower benefits and allowances as an incentive to take up employment, and introduced the opportunity for Danish-language schools to refer students to jobs or job training. The second phase of the reform (2003) has included new activation initiatives (as part of More People Into Employment), emphasising the foreigners' own responsibility for their own integration, e.g. requirements as to active job search, registration with the public employment services for foreigners who are immediately employable, and subsidies based on performance in municipalities with a view to bringing more foreigners into employment (The Danish Government 2003: 28).

2.2 Processes around the employment policies and NAPs

Involvement of social partners in 'indigenous' employment policies

In general, the social partners have traditionally had an extensive role in Danish employment policy. In Denmark, no explicit 'social pacts' were signed during the 1990s, as happened in a number of other member states. However, wage restraint was agreed upon in the tripartite Common Declaration in 1987, stating that the wage level in Denmark should be below that of competing countries. In return, the agreement offered the trade unions a new occupational pension scheme as a supplement to the ordinary pension schemes financed through the public budgets (Due & Madsen 2003: 138). The Common Declaration was not renewed until 1999 with the so-called Climate Agreement, which sought to re-establish wage restraint and restore trust between the three main actors, following industrial conflict and government intervention in 1998. The Climate Agreement also established the Tripartite Forum, a permanent, general tripartite body intended to discuss and advise on a broad range of welfare and labour market issues; however, due to the government's and the employers' reluctance to use the forum it has never become an important body.

In relation to employment policy, especially ALMP, the role of the social partners has been more extensive. Much of this influence was institutionalised in connection with the labour market reform of 1994. The reform was prepared

- as mentioned above - in the pre-legislative Zeuthen committee, where the social partners had the majority of the representatives. The government followed the recommendations of the social partners, among other things: decentralisation, more involvement of social partners, a better balance between individual and labour market needs, choice between several options in activation. The social partners in the committee also succeeded in blocking a reform of the financing of the unemployment benefit system that would have increased the social partners' financial contributions (Mailand & Due 2003).

The reform increased the influence of the social partners by upgrading their competences from consultation to (in connection with some issues) decision-making in the Regional Labour Market Councils vis-à-vis the public employment service (AF), and by making the National Labour Market Council an adviser to the minister of employment. Under the regional councils' leadership, provision for the insured unemployed was to be delivered through local partnerships between the AF and other actors, such as local authorities, training providers and employers. A similar institutional framework was established to deliver policies for uninsured social assistance claimants, but with local authorities rather than the AF as the main responsible actor, assisted by broader, multipartite bodies. The system for social assistance clients is rather more decentralised, due to the semi-autonomous role granted to local authorities, compared to regional employment services, which remain under close ministerial control. Nevertheless, the influence of the social partners on the active policy for uninsured unemployed still remains much weaker, in spite of the attempts of this reform.

In 1996, a process began that to some extent re-centralised ALMP for insured unemployed, and in effect rolled back some of the influence of the social partners. This development has been linked to a number of factors – e.g. legislation increasingly determining policy measures and target groups, the absence of new pre-legislative committees with social partner representatives, an increasingly hierarchical relationship between the National and the Regional Labour Market Councils, lack of involvement of the National Council in the adjustments of ALMP, and finally, adjustments more often decided in connection with the annual Budget negotiations (a process which the social partners have difficulties in influencing) (Jørgensen & Larsen 2003; Mailand & Due 2003; Winter 2003).

This would seem to indicate a weakening of the social partners' influence on ALMP. However, the picture is blurred by at least two factors: firstly, a high level of consensus among the social partners during the 1990s, which (despite the linking of reforms and adjustments to the annual Budget negotiations) on a number of occasions has been used successfully in consultations and media debates to influence policy content (Mailand & Due 2003). Secondly, the set-up of institutions for social partner involvement systems in relation to active

policies for uninsured unemployed has led to increased influence in this sub-area.

The centre-right government that came into office in late 2001 has amalgamated the active policies for the insured and uninsured unemployed under the same ministry (the Ministry of Employment). The two target groups are now subject to the same legislation and the tri- and multipartite bodies at the central level have been amalgamated. The plan of the government is also to set up a unified system at the local/regional level, possibly after the Dutch one-stop-shop model. The aim of this is to create a simpler system and to increase the role of the market forces and of the so-called 'new actors', such as temporary employment agencies, private training institutions and consultancies. It seems that a new reform will give the local authorities more local/regional responsibility for this unified system – a development that might lead to an overall weakening of the role of the social partners, as their role is less institutionalised here than in the public employment service system.

The role of social partners in the NAPs

Moving the focus to the NAP process, the picture changes somewhat. The social partners' priority of - and involvement in - the NAP process is much lower than their extensive role in 'indigenous' employment policy would lead one to expect. Nevertheless, the involvement is at least as extensive as in the three other member states analysed in the present report. In each of the seven NAPs on employment produced so far, the employers' organisation and trade union federation have managed to produce joint annexes as contributions to the actions plans, in addition to commenting separately on drafts. The social partners' texts have not only been annexed, but parts of them have been included in the main text, where appropriate. The social partnership texts focus mostly on how they contribute to the different employment guidelines, and the annexes are typically divided into a part relating to the private sector, a part on the state sector and a part concerning the counties and municipalities.

The social partners' texts are joint texts, but are in fact drafted by the Danish employers' confederation (DA) building of course on contributions from both sides. The reason for this internal organisation of work is practicalities: EES issues are dealt with by one department only in DA, whereas the issues tend to be spread out on several departments in trade union confederation, LO. This division of labour can be seen both an expression of a certain level of trust, but also of the low level of priority attached to these issues.

The social partners comment on a draft made by the government, but prior to that the social partners are involved at a quite early stage in the so-called Special Committee for Employment and Social Affairs. But these initial meetings focus mostly on timing and tasks in relation to the following NAP, not the content of them. After the revision of the strategy, these early meetings take place in May. The consultation process on the draft NAPs takes place in

September, a few weeks before the NAP is sent to the Commission - and from 2003 they have in addition to the social partners also included the NGO, National Organisation for Disabled People (DSI). As something new, not only the social partners separately, but also the National Employment Council (before 2003 named the National Labour Market Council) was consulted at this stage for the first time in 2004, as a means to upgrade the role of the social partners. The National Employment Council is perceived as a more independent tripartite body, whereas the Special Committee is more closely linked to the government. As is the case with the bilateral consultations of the social partners, the discussions in the National Employment Council takes place too late in the process to allow for any substantial changes in the NAP.

The social partners do not in general complain about the extent of their involvement in the NAP process. According to a questionnaire by the European Industrial Relations Observatory (EIRO), the social partners felt they were consulted early enough on the NAPs 2002 and 2003, and that they had enough time to react. There have, however, been critical comments from some of the involved organisations. The Danish Confederation of Professional Associations (AC) believes that the NAP 2003 did not take into account the rise in unemployment among professionals (Jørgensen 2002; 2003). Further, according to the social partner interviewees, they would like a more strategic and political discussion of the NAPs. That has not happened so far, but the involvement of the National Employment Council in 2004 could be seen as a first step in this direction.

However, both according to the EIRO questionnaire and even more so according to the interviewees, the NAPs are perceived as the government's plan, not a joint plan; it does not have a high profile among any of the three key actors; high-level civil servants are not involved to any notable extent, and the NAPs are not strategic papers, but reports of what has already been done and programmes for the future that have already been agreed. Nevertheless, some of the social partner representatives do find that the importance of the NAPs has increased recently and that this has led to a situation where the social partners are giving higher priority to the EES and to EU issues as such. This might also be the reason why the social partners have worked for more in-depth discussions in relation to the NAPs, so that they develop in the direction of strategic documents rather than just reports.

Degree of tripartite agreement

One of the special features of the industrial relations system in Denmark has been a relatively high level of bi- and tripartite consensus (cf. Due et al. 1993). This consensus-creating capacity has also been argued to be of importance when the focus is narrowed to active and passive labour market policies (Larsen 2004; Larsen & Mailand 2005).

The foundation for the widespread consensus on employment policy in the 1990s was laid in the late 1980s, especially because the trade unions with the Common Declaration in 1987 accepted wage restraint and anti-inflationary policies. Consensus among the key players on the necessity of 'activation' also facilitated the development of large-scale activation policy from the early 1990s onwards – a policy which still makes up an important part of the overall Danish employment policy. For years, the social partners expressed grave concerns about the potential substitution effects arising from the employment subsidy programme. The LO's hostility undoubtedly also reflected its fears that large-scale activation would result in an undermining of the social security system's distinction between 'social policy' for the uninsured and 'labour market policy' directed towards insured, unionised job seekers (Lindsay & Mailand, 2004).

That compulsory activation did not lower the level of unemployment benefit and to a large extent came to focus on human resource development made it possible to see activation as a right as well as a duty for the unemployed. This was very important for the trade unions' support for the sequence of quite important reforms in this area (Larsen & Mailand 2005). On this background, it was possible to create a near catch-all consensus during most of the 1990s on an employment policy containing wage-restraint, shortening of benefit periods (but no lowering of benefit levels), and compulsory activation, focused on developing work experience and the human capital of the unemployed.

Towards the end of the 1990s, this widespread consensus came under pressure. The employment effects of the activation policy were increasingly questioned, and the government was under pressure to increase the performance of the public employment services. Moreover, government intervention in the collective bargaining round in 1998 was also seen as a challenge to the consensus, as was the sidestepping of the social partners in the preparation of the vocational education and training reform (VET) in 1999. The level of agreement between the key actors diminished further after the centre-right government took office in late 2001 and made public their plans of initiatives such as state-run unemployment benefit funds, possibilities for part-time work everywhere in the labour market and initiatives to end closed-shops arrangements. These plans could be seen as challenging the trade unions. Further illustrating this weakening of the level of agreement between the key actors are the heavy criticisms from the opposition parties and the trade unions in relation to cuts in spending on VET and disagreement in connection with a local-authority reform on who is to be responsible for activation policy and public employment services in future.

However, not all of the initiatives planned by the centre-right government have been put into practice, and the social partners have actually succeeded in blocking an attempt in 2003 to reduce the level of unemployment benefit for high-paid workers, making these unemployed finance the first part of their unemployment spell themselves. The minority government managed to

establish a narrow majority for its proposal, but heavy criticism, among others from employers' organisations and the trade unions, put a lot of pressure on the government, and the proposal was withdrawn. However, there have been cases where agreement on policies has been established. Most importantly, the government managed to get support from both the trade unions' and the employers' confederations for their labour market reform 'More People Into Employment', after initial strong scepticism from the unions' side during the first round of consultation.

In sum, even though the level of agreement on the main lines of the employment policy has diminished recently compared to the situation in the mid-1990s, a relatively high level of agreement still remains, including agreement on the main lines of the ALMP.

EES in media and political debates

Media and political debates are important channels that the EES can work through. If the EES is being debated, it will be much more likely to have an impact through the strategic use of the actors. The Danish interviewees agree that the EES is very rarely referred to in media debates, and that strategic use by the key actors in political debates are very rare, even though it does occasionally happen that the social partners refer to the EES and the recommendations in hearings, for instance. The influential newsletters of the social partners do also occasionally make references to the EES - for instance, in April 2004 the DA's newsletter brought a short article mentioning the Commission's proposals for a recommendation on Denmark regarding, *inter alia*, the Voluntary Early Retirement Scheme. However, even though this proposal for a recommendation was in line with the direction DA wanted active ageing and retirement to develop along, the DA refrained from following up the article with further pressure on the centre-right government (which DA in general supports) because of the politically sensitive nature of the issue.

References to the EES, however, are still few and far between, even though, as mentioned above, there are signs that at least the social partners are beginning to pay a bit more attention to the strategy compared to previously, as part of greater attention to the European level and to the Lisbon process. This is partly confirmed by a study including questions to Employment Committee² representatives about national media references; here the answer 'seldom' was most widespread among the Danish representatives (Ørnsholt & Vestergaard

² The Council's and the Commission's joint Employment Committee is staffed with civil servants from member states as well as a few representatives from the Commission. The main obligations of the Committee relate to the preparation of the Council proceedings with regard to the EES and its instruments - the Employment Guidelines, the Joint Employment Report and the recommendations. The Committee also consults the European social partners. It is an important body for the continuous development of the EES.

2003:91)³. The still widespread assumption – fertilized by the relatively positive evaluations in the Joint Employment Reports and the Kok reports – that the Danish employment policy in general is way ahead of the EU's contributes to the perception of the EES as more or less irrelevant; but the general widespread Euroscepticism probably plays a role as well. Nevertheless, a greater willingness might be emerging to accept that Denmark could in fact learn something from the EU and other member states in specific areas, compared to the situation just ten years ago.

2.3 Impact on policy content and processes

Denmark is not a case of strong EES impact. The official Danish five-year evaluation of the EES states that 'As Danish employment policies also before 1998 were very much in line with what became the objectives of the employment strategy, the implementation of the Strategy has not led to any significant shift in Danish policies', but it continues nevertheless '...a number of precise targets, which were taken from or inspired by the Employment Strategy, and deadlines for the fulfilment of these targets entered Danish employment policies through the National Action Plans' (Danish National Institute of Social Research 2002: 6-7). However, the evaluation fails to specify which these are.

Whereas a number of independent studies mention Denmark as a model country for the EES, the implementation studies that include Denmark (Langhoff-Roos 2001; Jacobsen & Schmid 2001; Jacobsen 2003; Madsen 2003; Rydberg & Sand Kirk 2003; Ørnsholt & Vestergaard 2003) agree with the official evaluation that the impact from the EES on the Danish employment policy has been slight, whether the focus is on policy content or policy processes or learning.

All recommendations in the Danish case have been related to *policy content*. There is one recurring recommendation: to reduce the taxation of labour, whereas a recommendation on mainstreaming/gender segregation disappears in 2003, and a new recommendation on encouraging more people to take up employment, especially among immigrant workers, has been repeated in different versions since 2002. In 2003, a recommendation regarding active ageing was added, and in 2004 yet another one on 'monitoring trends in vocational training in the light of recent increases in training fees'.

Some actions - which could be interpreted as being in line with the recommendations - have been taken in the area of income tax, mainstreaming/gender segregation, and integration of ethnic minority workers. However, most observers as well as civil servants taking part in the processes around the National Action Plan for Employment have difficulties in showing any causal connection between the recommendations and these initiatives.

³ However, the figures from the UK and a number of other member states were clearly below Denmark because more representatives answered that the EES was 'never' referred to.

Table 2.2: Recommendations given to Denmark, 2000-2004

	<i>Recommendations (short form)</i>
2000	<p>1 reforms of the tax and benefit system to reduce fiscal pressure on labour, esp. low incomes. Reform of early retirement leave schemes should be completed</p> <p>2 promote training and job opportunities for women, and examine, in the context of a gender mainstreaming approach, ways to reduce the current level of occupational and sectoral segregation in the labour market</p>
2001	<p>1 pursue further and closely monitor implementation of on-going reforms to reduce the overall fiscal pressure on labour, in particular, the tax burden on low incomes</p> <p>2 increase incentives to take up, or remain in, employment and continue to monitor closely reform of early retirement and leave schemes in the light of the need to increase labour supply</p> <p>3 continue efforts to develop a more substantial mainstreaming approach and a comprehensive strategy for reducing current levels of occupational gender segregation in the labour market</p>
2002	<p>1 pursue and closely monitor implementation of on-going reforms to reduce overall fiscal pressure on labour, esp. for low and medium income groups</p> <p>2 pursue initiatives to encourage yet more people to take up employment, particular through further development of inclusive labour market and integration of migrant workers</p>
2003	<p>1 strengthen the efforts to sustain the availability of labour in the long term, in particular by promoting participation of older workers and by preventing bottlenecks in sectors with ageing workforce</p> <p>2 further strengthening labour market integration of immigrants by ensuring the balance between increasing economic incentive and avoiding social exclusion</p> <p>3 continue reforms to reduce the high marginal tax rates and fiscal pressure on workers, in particular on low and medium income groups</p>
2004	<p>1 increasing adaptability of workers and enterprises: further reduce the overall fiscal pressure on labour safeguarding budgetary consolidation</p> <p>2 attracting more people to the labour market and making work a real option for all: pursue a comprehensive strategy for active ageing, including the removal of incentives for early retirement where appropriate; review tax and benefit systems to reduce marginal tax rates and raise incentives for low-income groups to work, incl. the unemployed and the inactive; monitor the impact of recent reforms to integrate immigrants into the labour market, in particular of efforts to build-up the necessary basic skills required to match job requirements</p> <p>3 investing more and more effectively in human capital and lifelong learning: monitor trends in vocational training in the light of recent increases in training fees</p>

Regarding the recommendation on reducing taxes on labour and retaining older workers, the 1999 tax reform - fully implemented in 2002- introduced some initiatives to increase employment and reduce income tax for low-income groups, but this was not done in response to the EES (see also Danish National Institute of Social Research 2002: 20). The steps taken to reduce taxation on labour can only be described as modest, and the recommendation was not removed.

Also related to this recommendation - but again predating it - is the Danish adjustment of the early retirement scheme in 1999. In the new scheme, the benefit period was reduced from 7 to 5 years, as a consequence of the reduction of the pensionable age to 65 years. Further, the adjustment includes economic

incentives to postpone early retirement to the age of 62 (instead of 60). Again, however, it is the impression of civil servants interviewed that the recommendations did not affect the decision to reform the scheme – nor has it been possible to find other indications of this.

In the case of gender equality, in 2000 the Danish government reorganised the equal opportunity work of the public employment services in line with the EU mainstreaming strategy (Arbejdsmarkedsstyrelsen 2002a). This might seem to be a case of direct impact from the EES and the recommendation on Danish employment policy, but again the action taken in Denmark predates the recommendations. The recommendation on gender mainstreaming/segregation was not repeated in 2002. Some interviewees report that this was not a consequence of the actions taken, but because Danish civil servants pointed out the high level of gender equality in Denmark. Other interviewees, however, are of the opinion that references in bilateral meetings with the Commission to the public employment service's reorganisation of the equal opportunity work were decisive for the Commission's decision not to repeat the recommendations, and that peer pressure was avoided in this way. In any case, the process around this recommendation indicates that the recommendations are taken seriously, and not just ignored if they do not fit the government's policy (see also Jacobsen 2003).

In (February) 2002, Denmark received a new recommendation on integrating immigrants into the labour market. In March 2002 the newly elected centre-right government presented a plan to combine integration policy and employment policy to a greater extent, as can be seen in the initiative 'Towards a new integration policy'. The first phase of the reform (2002) included, *inter alia*, lower benefits and allowances as an incentive to take up employment, and introduced the opportunity for Danish-language schools to refer students to jobs or job training (The Danish Government 2003: 28). However, while these initiatives might have been affected by international studies showing that the integration of immigrants is one of the weaker points of the Danish labour market, the interviewees do not think the recommendation had any impact. The timing of the recommendation and the government initiative seems to support this, as they are only one month apart.

That there is no indication of a direct impact of the recommendations on Danish employment policy does not imply that the recommendations are not taken seriously by Danish governments, as repeated attempts to have recommendations suggested by the Commission removed illustrates. In 2004 alone, the Danish government managed to have removed or substantially altered two of the six recommendations proposed by the Commission. Most controversial for the Danish government was the addition to the repeated recommendation on retaining older workers, which directly asked the Danish government to remove the Voluntary Early Retirement Benefit Scheme. Because this scheme has previously proved to be very politically sensitive, and

because the government was of the opinion that the Commission had no legal basis to interfere in specific national policy programmes, they asked the Commission to remove the addition. The Commission accepted to do so, and the addition in the final version of the recommendation was changed into ‘...including the removal of incentives for early retirement, where appropriate’. Further, the Danish government did not find any justification for one of the other proposed recommendations to ‘reverse the deterioration of basic skills’. The government tried, successfully, to make the Commission remove this recommendation. The new recommendation ‘to monitor trends in vocational training in the light of recent increases in training fees’ was accepted by the government.

Looking beyond the recommendations to the input-output indicators in relation to activation guideline under the ‘old’ EES’ employability pillar, it is possible to find an area where the EES has had direct influence on the content of Danish employment policy. During the first years of the EES, in relation to the employability pillar, there was a fundamental discrepancy between the Danish strategy, which tended to focus on activating the long-term unemployed, and the EES, which tended to prioritise initiatives to prevent the unemployed from becoming long-term unemployed by means of guidelines demanding activation after 6 or 12 months’ unemployment. Denmark did not fulfil these targets, even though Denmark had been one of the countries pushing for quantitative targets in connection with the strategy. On this point, Denmark has not received official recommendations, but a so-called ‘second-order recommendation’ to give higher priority to the prevention than the treatment of long-term unemployment, and to live up to the demand for activation after 6 and 12 month (see also Langhoff-Ross 2001). The ‘second-order recommendation’ was not so much considered the problem in itself, as the fact that all other member states could read from the NAPs and elsewhere that Denmark failed to fulfil one of the central employability targets. Hence, the peer pressure worked in this case.

This was something taken very seriously by the Danish government, especially the former prime minister, Nyrup Rasmussen. In spite of scepticism among civil servants about the preventive approach, because it was perceived as a heavy burden on the public employment service, the introduction of the 6 and 12 months’ limits agreed by the European Council in Autumn 1997 became hard to avoid when the prime minister reported to the Danish Parliament’s European Affairs Committee that the targets would be implemented by the third phase of the labour market reform (Christensen et al. 2004: 100)⁴.

⁴ In an earlier publication about the impact of EES in Denmark (Mailand 2003), I argued implicitly that the ‘second-order recommendation’ related to the input/output indicator of activation policy could not be taken as a case of impact, because Denmark continued not to fulfil the targets for the input-output indicator. However, even though the targets were not met, there was an attempt to change the policy as suggested in the EES. Therefore it is correct to say that the EES had an impact in this case.

Contrary to many other member states, Denmark has not received any recommendations regarding *policy processes*, such as consultation procedures with social partners, regional and local authorities or other stakeholders. Just as in the case of policy content, the interviewees do not report on any impact on the processes from the EES, apart from the obvious inter-ministerial co-ordination that takes place in connection with the preparing of the NAPs. There does not seem to be any spillover from the NAP processes to the public administration's internal co-ordination or to their relations with external stakeholders, such as the labour market parties or the NGOs. The partial amalgamation of the Ministry of Labour and the Ministry of Social Affairs to the Ministry of Employment - and the accompanying partial amalgamation of 'labour market policy' and 'social policy' to become 'employment policy' - could be seen as an adaptation to a European-style employment policy (Madsen 2003), but the amalgamation has been recommended for many years by civil servants and others. Hence, again domestic politics must be said to be far the most important factor in this development. Furthermore, the Danish understanding of employment policy - excluding most educational, entrepreneurial as well as gender issues - is still much narrower than the one found at the EU level, as expressed in the EES (see also Mailand 2003).

2.4 The government's goals and ideology

Going back to the 'old' EES, there is no doubt there was a high level of compliance between the ideology of the Danish Social Democratic-led governments and the EES. The former Danish prime minister has from the outset been a strong supporter of the strategy, and the Danish activation policy has been hailed as a policy of best practice under the pillar that received by far the most attention, the employability pillar.

With the change of government in 2001, there would seem to be a less perfect fit between the goals and ideologies of the government and the EES. The new government is less willing to invest in ALMP and lifelong learning, and has a more market-oriented ideology. Still, investments in both ALMP and lifelong learning remain comparatively high. Moreover, the launch of a new EES including elements such as making work pay fits the ideology of the new government well. So even though the Danish position as a best-practise case has come under pressure and the minister of employment initially found the EES too detailed, it would be wrong to see any direct misfit between the present Danish government's goals and ideologies and the EES.

2.5 Summary

There is no doubt that the level of impact of the EES on Danish employment policy is rather weak. Despite the fact that many actions have been taken on issues mentioned in the recommendations, it seems that the recommendations

and the EES have not been among the drivers behind these actions. The only direct impact found was in connection with the 'preventive approach', that is, in the timing of the activation of the unemployed. Here, the EES has been one of the factors behind moving the timing of activation away from the original focus on long-term unemployed to activation after only few months of unemployment. Denmark continued not to fulfil the EES targets relating to the 'input-output indicators' for activation; the lack of compliance was considered a problem and the timing of activation consequently changed; therefore it would be justified to talk about an impact. It is worth noting that the only example of direct impact is to be found in relation to activation and thus the employability pillar of the 'old' EES, because activation policy was considered one of the strong points of Danish employment policy.

No direct impact in relation to policy processes was found. Nevertheless, the partial amalgamation of 'labour market policy' and 'social policy' to become 'employment policy' might indicate a development in the direction of European employment policy 'à la EES', but as in most other cases this development has primarily indigenous sources. Furthermore, there is still a considerable distance between the Danish and the European understanding of the term 'employment policy', with the European being far the broadest in the sense of policy areas covered. However, it is possible that cases of impact working through the 'socialization and discourses' and the 'learning' mechanism have also taken place, but they are not included in this analysis.

In explaining the (lack of) direct impact in Denmark, the causal relationship proposed in the compliance hypotheses has some support. It seems fair to say that the high level of compliance of the Danish employment policy with the EES, pre-dating the EES, has led to a lack of impact in the Danish case because this has meant a lack of pressure on the Danish employment policy, and a situation where the Danish key actors have been able to sustain their perception of Denmark as having an employment policy ahead of the EES and ahead of other member states. The high level of compliance is found both when the focus is on the 'new' EES from 2003 and when the 'old' EES from 1997 is included. The impact from the preventive approach indirectly supports the hypothesis, because this was a (rare) case of non-compliance.

Possible explanations for the low impact of the EES in Denmark were also searched for in the policy processes. This is difficult to prove, but there are cases indicating that the connection is relevant in a Danish context. During the 1990s, a high level of consensus made it very unlikely that any of the key actors would use EES strategically – and they did not. The level of agreement on the main lines of the employment policy has declined a bit in recent years, but still remains relatively high. It is still unusual to find strategic use of the EES in Denmark, as for instance the debate on the Voluntary Early Retirement Scheme shows - a debate where the EES could be, but is not, referred to.

Factors other than the high level of consensus might explain the lack of strategic use of the EES - and the connected lack of reference to the EES in media and political debates. Euroscepticism is one factor that clearly sets a limit for the strategic use of EES in Denmark, simply because references to EU regulation might do more harm than good, not only in public debates, but also among policy makers.

The ideology of first the Social Democratic-led governments, and then of the centre-right governments, on the other hand, has not represented any barrier to the EES, even though ideological compliance was probably stronger during the Social Democratic government compared to the present situation.

3. The United Kingdom

3.1 Main employment policy programmes

As in the Danish case, it is not possible to describe all the British employment policy programmes, but only to focus on a number of the most important ones, most of which are related to active labour market policy and education and training policy.

The most important employment policy programmes until 1997⁵

The origins of the UK's affection for supply-side activation policies can, to some extent, be traced to the Conservative governments' (1979-1997) response to the country's unemployment crisis of the 1980s. Throughout the early 1980s, the Conservative government established a range of new training programmes targeted at young people and the long-term unemployed. Yet, prior to 1986, the stricter regulation of unemployment benefit claimants was not seen as a particularly important element in labour market policy. Indeed, between 1982 and 1986 unemployed people were not even required to attend job centres to 'sign on' as actively seeking work. The result was a system that failed to engage with job seekers – a system more recently characterised by government officials as “essentially passive, with no responsibilities to counterbalance the rights of benefits receipt” (Wells 2001: 8).

However, as unemployment declined in the mid to late 1980s and the influence of the 'underclass' debate spread amongst policy makers, the Conservative government turned to more punitive and restrictive measures. The objective was simple: to activate the long-term unemployed by making life on benefit as unattractive as possible, thus encouraging job seekers to take the most direct route possible into work. A number of changes to the regulation of benefits after 1986 imposed a far stronger degree of compulsion on the behaviour of *all* job seekers, and particularly young people and the long-term unemployed. The so-called 'stricter benefit regime' that emerged over the next decade rendered participation in a range of activities compulsory in all but name (Deacon 1998). The stricter benefit regime culminated in the introduction of the Job Seeker's Allowance in 1996. The *Job Seeker's Allowance* reform empowered the public employment service's staff to compel clients to carry out any 'reasonable' action (as defined by the PES) in order to meet the conditions of their now legally binding 'Job Seeker's Agreement', which detailed a range of often extensive job search activities to be carried out as a condition of benefit receipt. Those who were adjudged to be 'not actively seeking work' could (and still do) face the removal of entitlement for up to 26 weeks.

The last decade of Conservative government also saw a significant withdrawal of support from the work-based training policies that had been

⁵ This section builds primarily on Lindsay & Mailand 2004.

promoted during the early to mid-1980s. Those programmes that were still provided increasingly focused on job search and motivation, and were therefore considerably cheaper to operate than work-based training schemes. Only in the area of policies for unemployed school leavers (aged 16-17) did the Conservatives retain training (rather than placement into work) as their primary objective. It is also in this area that the British system has come closest to imposing workfare-style compulsory activities. The 1988 Social Security Act withdrew the automatic entitlement to benefit from most 16-17 year olds, who were instead granted a 'right to training'. The withdrawal of benefits from those refusing to take up training has led some to suggest that the 1988 act amounted to the introduction of 'training-fare' (ILO 1998).

However, the Conservative government also introduced other important employment-policy related programmes than those targeted the unemployed. Some of these programmes are still, in a modified form, in existence. *Investors in People* is a certification system set up in 1992 as a programme that targets at the UK skill deficit, that is the comparatively low level of skills in the UK. The programme financially supports further training in companies and grants companies with an Investor in People certificate if they fulfil certain requirements. The programme is considered one of the few success-stories to be found among the Conservative governments' employment and educational policy programmes, in that it contributed to raising the skills level in the UK. This was for instance reflected in the fact that many more people received further training at the end than in the beginning of the years of Conservative rule; however, the use of further training was in 1997 still limited in the UK compared to most other European countries (Keep 1993; Ayala et al. 2004). The Investors in People programme has continued under the New Labour government, and 25 percent of the working population now works in companies that have the certificate. However, today Investors in People no longer financially supports training within firms or organisations, but still provides a standard framework accrediting training policies within firms or organisations.

Another programme that in a modified form has survived the change of government is *Modern Apprenticeship* from 1994, targeted young people between the age of 16 and 24. The programme is based on the long tradition of apprentices in the UK, but extends it so that it covers non-traditional sectors as well as a wider range of occupations and combines paid employment with school-based education (DfES and LSC 2004). One of the reasons that Modern Apprenticeships was established was that traditional apprenticeship routes were in decline, due to employers' reluctance to invest in training. Modern Apprentices has enjoyed mixed success – the quality of training varies widely, while very few employers (as few as 5 percent of medium-large employers) deliver apprenticeship-based training (Brown et al. (2004). Nevertheless, also this programme has contributed to raising the skills level in the UK, but did not

prevent that public investment in vocational education declined during the years of Conservative rule (Evans 1998).

The employment policy of the New Labour from 1997

New Deal, part of the larger *Welfare for Work initiative*, is now the most important employment policy programme in the UK. When New Labour came into power in 1997, they gave high priority to social inclusion through social and labour market policy in their statements. *New Deal* – financed by a special tax on employers – is now by far the most extensive unemployment programme in the United Kingdom. It aims at improving the employability of the unemployment clients through individual guidance and a choice between different activation options. It has some elements in common with the Conservatives' programmes such as compulsion and the rejection of benefit payments without activation. But - apart from its larger budget - there are also some new elements in the contents of *New Deal*: 1) a client-centred approach: seeks to tailor advice and training provision in order to meet the requirements of each individual participant. To this end, each participant is assigned a personal adviser. A choice between different options (see below) is also part of this more client-centred approach. 2) a "real work" focus: where the Conservative governments were focused on training away from the workplace, the *New Deal* has emphasised entry into work as the key objective. It involves a commitment to a wage-subsidy for six months. Moreover, the real work focus implies "rate-for-the-job" salary for 40 per cent of the client group, which is somewhat closer to the lowest wage in a particular industry than the "benefit-plus" (the employment benefit plus a small lump sum), which had been the norm beforehand (and still is for the rest of the client group). 3) Delivery through local partnership (see below) (Lindsay 2000:2).

New Deal is subdivided according to the client group, and it is therefore common to talk about 'New Deals': *New Deal* for young people (18-25 years old), for 25 plus, for 50 plus, for the disabled, for lone parents and for partners. For all client groups the programme has three phases: 1) a "Gateway period", including counselling, job-search training and careers advice; 2) four options: fulltime subsidised employment; fulltime education and training; work within the voluntary sector; participation in Environmental Task Force projects; 3) a "follow through" to help the clients return to ordinary employment. The government has been keen to emphasise that *New Deal* is not a job-creation programme, making new jobs, but a programme helping to improve the employability of unemployed people.

Other important employment policy programmes since 1997 include a number of educational programmes to be found within the Lifelong Learning package. The programme Individual Learning Accounts was piloted in 1999 with the aim of stimulating investments in education through inhabitant's individual choices. Initially, the programme was limited to 1 million employees

(approx. 5 percent of the total number of employees) in sectors and occupations with a lack of qualified labour, to employees with no or few formal qualifications and to employees in companies with less than 50 employees (DfEE 1999: 73). In 2000, the programme was introduced nationally, and in 2001 it had some 2.5 million people registered as eligible to undertake learning subsidised by their accounts. However, due to abuse the programme was shut down in late 2001. Some elements of the Individual Learning Accounts have been taken on into the new Skills Strategy (2003), but there has been no real successor (www.dfes.gov.uk)

Table 3.1: Most important British employment programmes 1990 – 2004

1992- Investors in People
1994 - Modern Apprenticeships
1996 - Job Seeker's Allowance
1997 - Individual Learning Accounts
1997 - New Deal
1998 - University for Industry
2003 - Skills Strategy

University for Industry, set-up in 1998, is another important part of New Labour's Skills Strategy. The aim of the programme is to reach those with few or no skills who are unlikely to participate in traditional forms of learning (e.g. through use of new technology), and thereby improve people with skills and society with increased productivity. It is all organised by 8000 'learn-direct centres' and 'UK online centres'.

3.2 Processes around the employment policies and NAPs

Involvement of social partners in 'indigenous' employment policies

The UK has never been among the European countries with the most developed involvement of the social partners. One of barriers for the development of partnerships has been what some observers have described as a culture of 'mutual suspicion' between the employers and the trade unions (Elgar 1998). This lack of partnership was amplified by the state tradition of voluntarism, minimising the role of the state in industrial relations. Nevertheless, the UK experienced a short period of closer tripartite cooperation in the 1970s, most importantly with the appearance of the *Manpower Services Commission*, related to education, training and employment policies.

During the years of Conservative rule, employer-led local *Training and Enterprise Councils* replaced the Manpower Services Commission – trade

unions were not guaranteed representation in these new bodies. However, in 1997 the New Labour government partly re-recognised the role of trade unions in society, even though parity (with employers) was far from established, and much of the trade-union legislation introduced in the Conservative era remained in place. Since then, both trade unions, employers' organisations and NGOs have experienced a new openness in the politico-administrative system and have been invited to take part in policy making and in the implementation of different programmes at different levels; at national level in connection with the set-up of commissions, councils and 'task forces', set up either to tackle specific labour market issues or to develop regulatory proposals. But there have been no attempts to establish general tri- or multipartite councils with broad competences, such as the Social and Economic Councils known from for instance Spain (see below), The Netherlands or Ireland.

One of the new bodies is the *Low Pay Commission*, set up in 1998 to monitor and evaluate the minimum wage. It has representatives from individual employers, employers' organisations, trade unions and academia, and the government usually follows the recommendations given by the social partners regarding the development in the minimum wage. The (national-level) *Learning and Skills Council* is another important body, where both employers and trade unions have a voice (even though employers have more representatives than the trade unions). The Learning and Skills Council has the responsibility for funding and planning all post-16 education and training other than at universities and works alongside a large number of education and training providers and organisations as well as community groups.

Among the task forces is found one directly related to employment policy. That is the *National Employment Panel* (previously the New Deal Task Force) that was set up in 1997 to support policy formulation and strategic thinking in relation to the programme New Deal. The National Employment Panel is a consultative body and has no decision-making power and moreover no statutory basis. The trade unions, the employers' associations and the NGOs are all represented, but the employers' associations have most representatives. In 2001, the organisation got its present name and its focus was widened from New Deal issues only to include employment policy in general.

Other consultative bodies in relation to employment policy were established in 2001 in connection with the amalgamation of the public employment service and the benefits agencies into one organisation (Jobcentre Plus). Two advisory committees were established: one for employers and one for other stakeholders. The latter so-called *Stakeholder Forum* has 19 representatives from civil organisations and one from the TUC. These two advisory committees have a more down-to-earth focus, whereas the National Employment Panel focuses on general strategic decisions. Other councils and task forces with relation to employment policy include the *Work and Parents Task Force*, which developed

a new right for employees to request flexible working, and the *Health & Safety Commission* as well as other ad hoc committees.

Also in the training-oriented part of the employment policies, partnership has been strengthened. National Training Organisations were in 2003 replaced by *Sector Skills Councils*. Trade unions are guaranteed membership on these bodies. The work of the Councils is informed by a national Sector Skills Development Agency, and overseen by the national Skills Alliance, which has membership drawn from both the TUC and employers, and is led by the relevant government ministers. Its main role is to provide strategic direction on skills policy and to assist Sector Skills Councils to reach agreements on targets and funding for training.

In addition to these government-driven bodies, the social partners have also established a number of bipartite co-operations, including a number of actions to improve basic and other skills, actions on race issues and ethnic minorities and attempts to raise productivity.

At *local and regional level*, local task forces have been established with representation similar to the National Employment Panel in order to support the public employment service, which has the overall responsibility for implementation of the New Deal. Further, local partnerships have been responsible for the planning and implementation of the New Deal in 144 delivery unit areas across the country, with provision most often co-ordinated by the public employment service in partnership with other key actors such as *Learning and Skills Councils*, local authorities, voluntary sector organisations, education and training providers and careers services (Lindsay & Mailand 2004). The social partners' role has been strengthened in that the trade unions are guaranteed a seat in the Learning and Skills Councils – however, the majority of the representatives remain business representatives. That the unions are guaranteed a voice on the regional (as well as the national) Learning and Skills Councils is nevertheless a move in the direction of social partnerships compared to the previous regional/local organisations, the Training and Enterprise Councils, where the unions were not guaranteed representation.

The interviewees do confirm the greater openness of the new government compared to the old one, but do not see any particular development in the extent of partnerships. However, in the NAP survey mentioned above, the TUC representative especially emphasised that the Skills Strategy from 2003 is an area with substantial social partnership involvement (Hall 2003: 4).

In sum, the Blair government has taken limited, but noteworthy, steps in direction of greater involvement of the social partners, even though the rhetoric about 'partnerships' might exaggerate the extent of the involvement, and the employment policy remains very much controlled by (national level) public authorities.

The role of social partners in the NAPs

To the surprise of many observers, the social partners managed to produce joint statements for the first NAP in 1998 – these statements were annexed to the NAP. The joint texts have included common objectives of the social partners as well as a listing and description of common initiatives taken by these organisations, at the confederative level represented by the Confederation of British Industry (CBI), Trade Union Congress (TUC) and Centre of Enterprises with Public Participation and Enterprises of General Economic Interest - UK (CEEP-UK). The process of writing joint statements to the NAPs was repeated in 1999 and 2000, but not in 2001 and 2002. The social partners ceased for a while to produce these reports because they failed to add any value, after statements of support had been appropriate in the initial period (Casey 2005: 52). The 2003 and the 2004 NAPs, however, again included joint texts by the social partners of various forms.

The CBI, TUC and CEEP-UK do not meet physically to coordinate their inputs to the NAPs. It is all done via phone and e-mail. The organisations tend to make joint comments to the NAPs, but they also give separate comments.

Regarding the internal organisation of the separate trade union and the employer contributions, they are exclusively formed at the confederative level. According to TUC, the member organisations do not contribute directly to the EES. The TUC organises the trade unions' input without their assistance. This is also the case for CBI, who nevertheless emphasise the indirect input they receive from the member organisations through the standing committees, not on the NAPs themselves, but on specific issues covered by the NAP.

The social partners' contributions to the NAPs are received and co-ordinated by the government's Department for Trade and Industry. The process is, in general, so that the social partners are invited for an initial meeting about the part of the NAPs relevant for them. The social partners then make their contribution - jointly or alone - and comment on the rest of the NAPs. In NAP 2003 and NAP 2004 the social partners' contributions have been included both as annexes and as boxes in the main text. There is normally only one meeting between the Department for Trade and Industry and the social partners regarding the NAP - the rest of the process is done by phone or e-mail.

In 2003, there were complaints from the social partners, because they, reportedly, only had a few days to comment on the inputs. One of the civil servants interviewed explained the short time allocated for contributing and commenting with a reference to the process having now been repeated several times and that the social partners therefore should be able to contribute fast, but add, that the timetable for inputs - which runs into August and early September - can sometimes cause problems if key participants are unavailable. Despite complaining about the timeframe, both CBI and TUC expressed in a comparative study covering 2002 and 2003 that they were able to influence the content and tone of the NAPs to a reasonable extent, and none of the

organisations find any gaps in the NAP or insufficiencies in the NAPs. However, the TUC has in the same comparative survey on the role of social partners expressed dissatisfaction with the level of partnerships in the UK, which they find insufficient, and furthermore stated that it is a problem ‘that the UK does not actively engage with the guidelines’, whereas the CBI seems to be a bit more satisfied both in regard to process and content (Hall 2002; 2003).

In sum, the NAPs are no more of a high priority issue among the social partners in the UK than in Denmark. It is considered as being a government document, even though the social partners contribute to it, and it does not have a high profile or high priority among the social partners. This is among other things reflected in the fact that only few resources are used in contributing to the NAPs. The interviewees do not see any change in this during the years.

Degree of tripartite agreement

As proposed in the ‘consensus hypothesis’, a strong degree of agreement among national key actors can be a factor that counteracts the impact of the EES. When the EES was created in the mid-1990s there was no consensus between government, employers and trade unions on the main lines of the employment policy, but with especially the TUC’s changing attitude to activation policies, a more open attitude of the government towards the social partners and the partial re-recognition of the role of trade unions in society, agreement on the main lines started to develop.

The New Deal is the first ALMP programme in Britain that both employers and trade unions support. One reason for the trade union support is that New Deal is closer to the trade union priorities than the Conservatives’ programmes. The TUC emphasised the ‘real-work’ focus⁶, the ‘rate-for-the-job’ (close to the minimum wage) in two of the four options and the choice between different options as positive developments, but raised criticism against the ‘benefit-plus’ (social benefit plus a small lump sum) in the voluntary and environmental task force options (TUC 1997). Another reason for the trade union support is a change in their attitude to active measures as such. Before 1997 the TUC dissociated themselves from compulsory activation (‘workfare’), but since 1997 TUC has supported the government statement that ‘there is no fifth option in the New Deal’, meaning that unemployment benefit without active measures is not a possibility. A third element of the TUC’s support for New Deal was that it is balanced by policies to make work pay: the minimum wage; an extensive

⁶ The real-work focus of the training (through the employment subsidy) has not proved to be as important as everyone thought it would be. Subsidised employment has been taken up by few clients – only around 15% of all 18 to 24-year-old New Deal clients were found in this option in 2004. Instead, stable macro conditions, and public sector investments, has created jobs which many New Deal trainees have entered quite quickly.

system of tax credits; and the introduction of the so-called a marginal tax cut on the first £1500 of earnings, with obvious benefits for the low-paid.

This acceptance of the contents of New Deal together with 18 years of Conservative rule are as well as the shrinking membership are probably the reasons that the trade union movement does not make many complaints above the fact that the New Labour government is continuing the Conservative governments' tradition for giving employers more say and more representatives in strategic bodies, as described above.

The employers' associations have also been supportive of the New Deal. Labour shortages, the eagerness of the government to make New Deal compatible with employers' needs and the fact that it is voluntary for the individual employer to participate have most likely been of importance for the employers' associations' positive attitude towards the programme. Despite the overall support some employers have complained about the too slow delivery of New Deal clients, the quality of the clients and the bureaucracy that firms have to deal with when recruiting New Deal clients.

The interviewees confirm this picture of agreement on the main lines of the policy in recent years. The TUC representatives do find that there is consensus on the main lines of the British employment policy, even though disagreement exists on a number of issues. This is the case for instance in relation to training, where the trade unions want to go further in using legislation to force employers to train their employees. Also in relation to the working-time directive there are some disagreements on where the balance between flexibility and the minimum standards of work should be set. The TUC has strongly opposed the UK government's opt-out on the working time directive, whereby employees can voluntarily opt out of the maximum 48-hour working week, while the CBI is in favour of the opt-out.

The employers' representatives confirm that broadly speaking there is consensus on the main lines of the policy, even though they also find differences, most importantly in connection with the social partnership dimension, where the TUC aims for more partnership and more centralised wage bargaining but the CBI is satisfied with the present level, and the CBI's first priority is to protect the competitiveness of British enterprises, also as a way to create economic space for social policy, whereas the trade unions are keen to emphasise that the social policy is an aim in its own right.

None of the interviewees see any substantial change in the degree of the consensus in the present decade, neither in the bipartite relations between employers and trade unions, nor in the tripartite relations also including the government, even though the employers' representatives find that there has been a bit more consultation in relation to the NAPs in the later years. The important changes, according to the interviewees, took place in connection with the change of government in 1997 and immediately hereafter, whereas the present decade has not seen any major changes. The level of agreement is not,

however, as high as it was in Denmark in the 1990s and fundamental disagreements continue to exist on several issues.

EES in media and political debates

If the key actors referred to EES in media or political debates, it could facilitate the impact of the strategy. In general, all UK representatives agree that reference to EES in media as well as in political debates and other communications between the key actors are rare. What has got more media and political attention in relation to European employment and labour market issues are the overall Lisbon strategy and, especially, the Kok reports. But in general, the low profile given to EU economic and employment policies in the UK reduces the incentives of the social partners to refer to the EES in public debates (see also Hodson 2003: 8).

The reference in media to EES in the UK has been measured in at least three studies. In one of these, six national newspapers were analysed in the UK and Germany from 1997 to 2002. No more than 57 references during those five years were found in the British newspapers, 42 of these in the first three years of the EES – similar figures for Germany were 149 and 114 (Umbach 2003: 78). The figures show both an absolute and comparatively low media profile of the EES in the UK, and furthermore that most attention was paid to the strategy in its early years. The limited and decreasing attention in the UK media as well as the comparatively much higher figures for Germany are confirmed by Kunstein and Meyer in their similar analysis (Kunstein & Meyer 2003). The limited British media attention is also found in the third study, the Ørnsholt and Vestergaard questionnaire, where the British EMCO representatives were those reporting of the least frequent media reference to EES (Ørnsholt & Vestergaard 2003: 91).

3.3 Impact on policy content and processes

Like most of the other member states' five-year evaluations of the EES, the British focuses on the extent to which the British employment policy complies with the guidelines of the EES; it has even less to say about the impact of the EES on the national employment policy than the Danish five-year evaluation. The evaluators find that British employment policy in general has developed along the lines of the EES since 1997, but the evaluators have difficulties in showing any direct impact on the five priority areas of recent British employment policy – the Welfare to Work agenda, improving education and training, improving work incentives through tax reforms, widening the skills base and introducing a National Childcare Strategy. About the impact it is concluded that 'it is still hard to gauge to what extent, if any, the aims of the EES contributed to the initial formation of New Labour policy in this area. However, it is fair to say that the developments in employment and labour

market policy since 1997 have largely coincided with the aims and objectives of the EES' (Ecotec Research and Consulting Ltd. 2002: 2).

Measuring the impact of the EES on the *content* of the British employment policy is even more difficult than in the Danish case, because the UK changed government the same year - 1997 - that the 'full-scale' EES was introduced.

Table 3.2: Recommendations given to the UK 2000 – 2004

	<i>Recommendations (short form)</i>
2000	1 issue the gender pay gap and develop appropriate policies to address this 2 encourage a partnership approach in order to enable the social partners at all appropriate levels to reach agreements on the modernisation of work organisation...requiring the right balance between flexibility and security 3 upgrade the statistical monitoring system, so that policy indicators on prevention and activation will be provided 4 pursue efforts to expand and improve the quality of childcare provisions
2001	1 improve the balance of policy implementation of the guidelines, so as to strengthen and make more visible efforts to modernise work organisation, in particular by fostering social partnership 2 reduce gender pay gap and take action to improve childcare provision 3 reinforce ALMP for the adult unemployed before 12 month point, so as to increase the number of people benefiting..., and supplement the support provided by the Jobseekers Allowance Regime 4 intensify efforts to implement initiatives on lifelong learning
2002	1 foster social partnership at the national level, in particular to improve productivity and skills, and the modernisation of working life 2 strengthen efforts to reduce the gender pay gap and improve the balance in representation between women and men across occupations and sectors, by involving all the relevant actors, including the social partners...further implement and monitor the impact of actions taken to improve the provision of affordable childcare facilities 3 reinforce ALMP for the adult unemployed before the 12 month to supplement the support given by the JSA...; particular attention should be paid to groups facing particular problems in the LM. 4 encourage and develop work-based training to address increasing workforce skills gaps and low levels of basic skills
2003	1 implement ALMP leading to sustainable integration in the LM in order to alleviate the high concentration of unemployment and inactivity in certain communities. Special attention should be provided to people facing particular problems in the LM. 2 ensure that those who are able to work have the opportunity and incentives to do so, in particular by modernising sickness and disability benefit schemes 3 address the underlying factors of the gender pay gap, in particular by improving the gender balance across occupations and sectors, and increase access to training for low-paid women part-time workers. Further improve the provision of affordable care service for children... 4 develop social partnerships at all levels to help improve productivity and quality in work, in particular by addressing the low levels of basic skills and skills gaps...
2004	1 ensure that wage developments do not exceed productivity developments 2 ensure that ALMP and benefit systems prevent de-skilling and promote quality in work....address the rising number of people claiming sickness or disability benefits, and give particular attention to lone parents and people living in deprived areas. 3 improve access to and affordability of childcare...increase access to training for low paid women in part-time work, and take urgent action to tackle the causes of the gender pay gap 4 implement national and regional skills strategies...place particular emphasis on improving literacy and numeracy, the participation and achievement of 16-19 years olds, and low-skilled adults working in poorly paid jobs

One way of estimating the impact that works through peer pressure is to look at reactions to the recommendations. The recommendations that the UK has received have been even more stable than the Danish ones. There have been four recommendations given every year. The one related to the gender pay gap and childcare facilities has been repeated in different versions since 2000. So has the one regarding ALMP, but the focus has shifted from upgrading the

statistical monitoring system towards (2000) strengthening ALMP for adults and those with a marginal position on the labour market (2001-2004), towards strengthening ALMP in terms of inactivity, upskilling, and work incentives (including the benefit schemes) (2003-2004). A third recommendation on training and lifelong learning was added in 2001 and has been repeated each year since then. In 2004, however, it was divided into two, one aiming at implementing the national and regional skills strategy, another one merged into the ALMP recommendation and focusing on upskilling. The fourth near-constant recommendation has been on strengthening social partnership. It was not repeated in 2004, but replaced by a new one asking UK to keep wage development below productivity development.

Like in the case of Denmark, it is possible to point to several political initiatives in the areas covered by the recommendations. However, again with similarities to the situation in Denmark, the interviewees have difficulties in showing a single clear case of impact from the EES and the recommendations. Furthermore, it is the impression of all British interviewees that the EES is not a high priority area. But one of the interviewees is of the opinion that EES might have had an impact, but that it is very difficult to isolate this from the impact of recommendations from other international organisations such as the OECD, and moreover that the EES and the recommendations contribute to keeping an issue on the agenda, even though the issue was not put on the agenda as a result of the EES in the first place – the childcare issue and the ALMP recommendations were mentioned as examples. That the most important ALMP programmes were not put on the agenda by the EES, but were introduced simultaneous with the EES, should be clear from the description of the employment policy programmes above. One interviewee adds that after the change of government EES pressure on developing ALMP was like ‘kicking up an open door’.

A few interviewees mention also skills and lifelong learning and the gender pay gap as areas where an impact from the EES could be seen, because government actions have been taken in these areas – however, these interviewees fail to specify a clear connection between EES and the actions that could reject the possibility of compliance and simultaneity without impact.

The UK has, unlike Denmark, received recommendations regarding the impact on *policy processes*, more specifically on improving the level of social partnerships. This recommendation was repeated from 2000 to 2003, but then it disappeared in 2004. According to the interviewees, the recommendation on social partnership is the most controversial one that the UK has received and it has been discussed bilaterally with the Commission several times and commented on in the NAPs every year. The position taken by the UK government is that even though the UK has not developed the highly formalised and institutionalised structures for social dialogue known from Continental Europe and Scandinavia, a variety of tri-, multi- and especially bipartite partnerships do nevertheless exist at national, sector, regional and workplace

levels. Some of these have, as described above, been developed after New Labour came into power – this is the case with the Low Pay Commission, The Employment Task Force, National Training Organisations and the Learning and Skills Councils. The latest NAPs also emphasise the role of the NGOs/voluntary sector in the employment policy and in the partnerships connected. Adding to this, one of the interviewed civil servants emphasises that the role of NGOs in British policy is much more extensive than in most other member states, and that partnerships with these organisations in connection with targeting marginalised people is much more relevant than partnerships with social partners.

It is not clear from the interviews, if the recommendation on social partnership has been removed because of the arguments raised by the British government, because partnerships have become more extensive recently or for other reasons⁷. The interviewees do believe that partnerships developed when New Labour came into power, but do not agree if there have been further improvements in the present decade. One of the interviewees confirms that the EES has had an impact on social partnerships in the UK in raising the form and level of partnerships. The Learning and Skills Councils and the way they were set up are mentioned as a specific example of an impact. One government representative is of the opinion that the processes around the NAPs have helped ‘opening up channels of communications’, not only for the social partners, but also for the NGOs. This is confirmed by an ETUC survey focusing on the two first NAPs from 1998 and 1999. The survey found the most limited impact of EES on social partnerships in countries that had developed social pacts, but the greatest impact of the EES in the UK, where social partnership arrangements according to the author were least developed, among other things, because CBI and TUC were able to produce joint texts that were included in the NAPs. Both CBI and TUC expressed their satisfaction with the process and the level of their involvement, even though the TUC used the opportunity to call for more institutionalised partnership structures in ‘indigenous’ policies (Foden 1999: 535; Foden 2001: 66).

Most of the interviewees, however, see no impact from the EES on the level of partnerships and find no or only minor extension or intensification of social partnership in the present decade.

Taking the policy content and the policy processes question together, the general lack of specific examples of impact on the content of British employment policy is on the broad lines in compliance with the descriptions found in other studies. Rydberg and Sand Kirk find that EES might have reinforced, but not triggered, changes that would have taken place anyway, but that the EES might have played a role in the lifelong learning agenda-setting in the UK (Rydberg & Sand Kirk 2003: 102,108). A similar position is taken by one of the British experts: ‘socio-economic policy coordination in the EU acts

⁷ The second round of interviews in late 2005 will pursue this question.

less as a catalyst for change in the UK than as a means to consolidate existing policies' (Hudson 2002: 2). Likewise, in a comparative study on the impact of the EES in the UK and Germany, the author finds that the recommendations are more or less neglected by the government, that 'no policy changes would be introduced if recommended by the European level, but not in line with the general government agenda', that 'EES might have had less impact in the UK than in other member states, because the UK, already at the time of its establishment, had a reasonably good employment record' and that the UK government does in general not respond to the recommendations and that '...the main argument of the UK government not to react to some recommendations is the good employment record of the country...', (Umbach 2003: 98, 100), but still finds some convergence in employment policies because German and British employment policies have become more similar (ibid: 137). Nevertheless, comparing these studies of the 'old' EES with the present study of the 'new' EES leads to the conclusion that the revision of the strategy has not changed the extent of the impact on the content of UK employment policies – the impact is still very limited.

Whereas the low priority of the EES as such has remained unchanged, the Kok reports have seemingly been able to engage the British government much more. That the government has been prioritising the processes around the agenda-setting of the reports and the actual writing is not surprising, considered they were among the initiators of the process (see this project's working paper on process at the EU level (Mailand 2005)).

3.4 The government's goals and ideology

The political orientation, goals and ideology of the New Labour government do not seem to be in fundamental conflict with the EES. Some observers have even seen the EES as reflecting an Anglo-Saxon approach to employment issues or pointed to the UK as very influential in formulating the guidelines (e.g. Barbier 2004). In any case, the UK government has officially supported the EES, among other things because it is a way to avoid directives and secure that the centre of gravity in employment policy remains in the hands of the member states (Hodson 2002: 1). More specifically, the UK government's willingness to upgrade ALMP (however, not in terms of funding) and education and training, as well as setting up entrepreneurial programmes, fits well the EES agenda. Behind the lines, however, the UK has been very active in the processes of the Kok reports, among other things because of dissatisfaction with the EES (see Mailand 2005).

Where misfits between goals and ideologies of the British government and the EES are found is, firstly, in relation the role of social partnership/social dialogue, where the Blair government, respecting the Anglo-American perception of partnership, repeatedly emphasises that partnerships should be business-led and that other organisations from the civil society than the trade

unions might be equally relevant to involve. Secondly, the British government, in compliance with the voluntary tradition in industrial relations, hesitates to interfere too deeply in industrial relations in order to obtain the goals in relation to adaptability, work organisation and gender related industrial relations issues (such as equal pay). The set-up of the minimum wage is an important exception from this general rule. Thirdly, the low level of social security, including unemployment benefits and public financed support, such as childcare facilities, is something that New Labour neither has, nor has planned, to change substantially. In term of flexicurity, referred to in the Employment Guidelines, the UK labour market is marked by a high level of flexibility, but a low level of security.

These examples of misfits or barriers, some of which are also mirrored in the recommendations, could be said to be more bound to British welfare state and industrial relations tradition, than specifically to the goals and ideologies of the present government. The examples are, however, not so severe that the goals or ideology of the British government fundamentally conflict with the EES, even though the level of compliance between government and EES is not as high as in Denmark.

3.5 Summary

Current British employment policy does not show strong signs of impact from the EES, even though the British policy is mostly in compliance with the EES. There might be some impact in relation to ALMP, the development of social partnerships, and maybe also in relation to the skills development, but the signs are weak. There might be further and difficult-to-prove impact from EES through its contribution to forming international discourses. But here the impact is mixed with the impact of communications from other international organisations, and is therefore very difficult to isolate. However, in sum, it could be said that the EES is more a source of validation and legitimating than inspiration in the case of the UK (Lindsay 2005). The low level of impact is reflected in the government's low priority of the EES and that they have chosen to concentrate their efforts on other issues under the Lisbon agenda and especially on the Kok reports. The lack of attention given to the EES by the British government and the social partners is reflected in the lack of references to the strategy in media and political debates, which is even more limited than in most other member states.

In explaining the lack of impact, the compliance hypothesis has some support. The level of EES impact in the UK fits to some extent the hypothesis that a relatively high level of pre-existing compliance between national level employment policy and the EES leads to a lack of impact from the EES. Despite cases of non-compliance in areas of partnerships and elsewhere, it was with some justification that the British official five-year evaluation reported a high

level of pre-existing compliance between British employment policy and the EES.

The consensus hypothesis proposes that a high level of agreement among the national key actors on the main lines of the employment policy would be a barrier to EES impact. This hypothesis is not fully supported by the British case. More agreement among the key actors seems to have developed since the mid-1990s, but there remains disagreement on major issues: social partnerships, social security, the primacy of competitiveness, and working time issues - just to name some of the more important ones. The EES could potentially have been used strategically in the national media and political debates on these questions, but this is not the case.

It seems that the strategic use of the EES in the UK is not so much blocked by a broad-based consensus on the policy and the interpretation, as it is blocked by Euroscepticism. It represents an obstacle for references to the EU level - in relation to employment issues as well as in other areas - because the EU lacks legitimacy. Therefore, justification by references to EU regulation might damage the argument of national-level actors more than strengthen it. There is in the politico-administrative system - and to some degree also among the social partners - a widespread perception that EU regulation in this area should be kept at a minimum. In the case of the social partners, though, there also seems to be lack of resources to really address and use the EES and/or lack of priority of the issue.

There might be a bit more misfits found when the focus is moved to the relations between EES and the government's ideology - the theme of 'ideology hypothesis' - because the New Deal government is embedded in the British traditions of voluntarism, weak partnership and limited social and welfare service. However, the level of misfit is not so high that it can be said to represent a barrier to the impact of the originally social-democratic biased, but increasingly ideologically broad European strategy.

Another factor - not addressed in the hypotheses - that without doubt has limited the impact of the EES is the very strong performance of the UK economy in terms of increasing the employment rate and reducing unemployment. This has diminished the urgency for large-scale reforms and has strengthened the self-assurance of the British policy makers (see also Hodson 2002:2).

4. Spain

4.1 Main employment policy programmes

Most important employment policy programmes and reforms before 1990

Like in Denmark and the UK, Spain took its first steps in the development of an employment policy in the 1970s. In addition to setting up the a new legal and institutional framework for industrial relations, the first years after democratisation in 1977 also saw the introduction of a few isolated youth employment initiatives such as the ‘work placement contracts’ (*contracts en prácticas*) and training contracts (*contractors de formación*). The first Employment Act was approved in 1980.

From the mid-1980s, when Spain entered the EU and recession developed into growth and creation of jobs (mostly temporary employment made possible by a legal change in 1984), two other steps were taken within employment policy. The first was the introduction of *escuelas-talles*, vocational training centres for young unemployed that combined training and community work. The other one was the gradual development of a general training policy for unemployed people (Aragón 2001: 208-10). The third was the *Plan FIP (Plan National de Formación e Inserción Profesional)* from 1985 that planned and distributed the use of EU funds, which have been a substantial source of finance for Spain’s employment as well as other structural policies.

Most important employment policy programmes and reforms 1990-2004

Despite these initiatives, the Spanish employment policy was still fairly limited in its scope and scale at the entrance to the 1990s. More important than the development of the above-mentioned activation initiatives - applied for only a small minority of the unemployed - was the development of a dual labour market with highly protected employees on permanent contracts on the one side, and employees on fixed-term contracts with lower levels of pay and working conditions on the other. However, when a new recession ended in 1994, more than half of the 1.7 million (mostly temporary) jobs created since the mid-1980s were lost, even though Spain continued to have the highest temporary work rate in the EU. On this background, the transformation of temporary jobs into permanent jobs remained one of the highest priorities in the employment policy reforms of the 1990s.

The first of these reforms was the *labour market reform of 1993-1994* by the Gonzalez Socialist government. The reform introduced incentives to convert fixed-term contracts into permanent ones and dismantled the employers’ possibility to extend fixed-term contracts. In order to make the labour market more flexible, the reform also introduced some relaxation of the redundancy payments and reduction in social security payments for part-time work, and the

possibility of part-time fixed-term contracts in order to boost this type of employment. Further, the reform removed statutory obligatory premium rates for overtime work (Rhodes 1997: 107-112). Finally, the reform contained a number of actions in relation to ALMP, most importantly so-called *work placement contracts* targeted unemployed young people with university or vocational qualifications. In order to provide work experience, the contracts opened the opportunity for young people to be employed in jobs related to their formal qualifications for up to two years at a reduced minimum wage (Aragón et al. 2000: 188).

In addition to the labour market reform's attempt to create more (permanent) jobs and a more flexible labour market, the *social benefit reform of 1992* was the first attempt to address the social benefits repercussions on incentives to take up employment. Unemployment benefits became more generous during the 1980s and the replacement rates rose to 60-80 percent of previous income, and in some cases - as a result of high marginal tax rates for low and mid-income groups - to over 100 percent. The 1992 reform therefore sought to reduce these disincentives by, *inter alia*, increasing the minimum period of work to qualify for benefits from 6 to 12 months and lowering the average duration of benefits from 20 to 12 months and the maximum to 24 months. However, because the majority of the unemployed in Spain were - and still are - young people without a job record and therefore not eligible for social insurance, but only for social assistance, it is doubtful whether this reform had any great impact (Rhodes 1997: 110).

After the government changeover to the centre-right wing Popular Party in 1996, the dialogue with the social partners over labour market issues came on track again after a standstill since the mid-1980s. The first important agreement was a pension agreement based on the *Toledo Pacts* signed by all the major political parties in 1995 when the Socialists still led the government. It included a plan for maintaining public-funded pension schemes as well as an agreement on the social security of agrarian workers. It was remarkable in that the trade unions agreed to a reduction in pension funds; the government, on their part, agreed to maintain the purchasing power of the pensions and introduced improvements in restricted areas such as pensions for widows and orphans. The pension agreement was only signed by the trade unions and the government; the employers' confederation CEOE withdrew from negotiations because the draft plan channelled all surpluses from the social security into a fund for maintaining the coverage level in the future; the CEOE wanted this to be used for a reduction in the payroll taxes instead (Pérez 2000:351-53).

However, all three key actors signed the *Labour Market Reform of 1997*. It continued the trend from the 1994 reform and contained a significant reduction in the dismissal costs attached to new permanent contracts (a priority of the employers) and also promoted the use of permanent employment contracts. The promotion of permanent contracts was a priority of the unions, and should be

seen on the background of the fact that 35% of all contracts in Spain - despite all previous efforts - were still temporary; this was the highest level in Europe. Moreover, the reform expanded the role of national-level bargaining, reserving certain issues for this level (wage increases, occupational classification, overall work-time reductions) while leaving others (work scales, internal flexibility) to lower levels in order to make a division of responsibility between the levels.

The labour market reform packages of 1997 expired in 2001, but after more than a year of negotiations the employers and the trade unions could still not reach agreement on a renewal of the labour market reform from 1997, and the government introduced unilaterally the Labour Market Reform of 2001. The reform does not have the broad scope of the 1997 reform, but nevertheless contains a number of important new interventions: firstly, so-called open-ended employment contracts to promote full-time employment for a large target group (women, young unemployed, long-term unemployed, unemployed over 45, temporarily employed, disabled); secondly, contracts for the long-term unemployed or otherwise excluded young people; thirdly, public-financed placement contracts targeted unemployed people in general for carrying out projects of general or social interest in public administration. These contracts include a reduction in the employers' social security contributions. In addition to these ALMP-related measures, the reform also introduces limited compensation for the dismissal of workers on temporary contracts and incentives to further boost part-time work. Finally, the reform makes the principal firm responsible for wages and social security obligations of its subcontractors (Miguéles 2001 [EIRO]).

Table 4.1: Most important Spanish employment policy programmes 1990 - 2004

1992 - Social Benefit Reform
1993/4 - Labour Market Reform
1997 - Labour Market Reform
2001 - Labour Market Reform
2002 - Unemployment Benefit Reform
2003 - Employment Act 2003

After the labour market reform of 2001, the most controversial issue has been the introduction of an *act reforming unemployment benefits* in 2002. The reform modified various job-seeking conditions for unemployed receiving benefits – for instance the acceptance of ‘suitable work’ and a number of other restrictions on benefits. However, the reform provoked the trade unions to organise a general strike and also proved unpopular in the general public, with the result that the government withdrew some of the controversial parts of the reform (Albarracín 2002).

In 2004 eight years of rule by the Popular Party came to an end. The new Socialist government has already raised the minimum wage, but most of their planned reforms have not yet been implemented. The most important of these are: continuing the attempts to raise the share of permanent to temporary contracts; clarifying legal obligations for the subcontractors; ALMP to counteract bottlenecks in some regions; promoting flexible working hours (EIRO 2004/06). Many of these new attempts will, according to the government, be made in cooperation with the social partners, as spelled out in the Declaration of Social Dialogue from 2004.

4.2 Processes around the employment policies and NAPs

The role of the social partners in “indigenous” employment policy

Spain, like the UK, has no strong tradition of social partnership. However, at the beginning of the democratisation process, which was also a time of economic crisis, the Spanish government called upon the support of other actors. From 1977 to 1986, a number of income policy agreements were signed. This period was followed by a period of confrontation. A second period of cooperation between the three actors began in 1996, when more than a decade of Socialist rule was ended by the election of a centre-right government. In this second period, tripartite agreements were concluded related to pensions (1996), labour market reforms (1997), vocational education and training (2000) and social security (2001). Around 2000 the dialogue seems to have been running into difficulties again. Part of the reason for this might be that the government in 2000 won an absolute majority and therefore was less dependent on backup from employers and trade unions than previously. However, with the election of the new Socialist government in March 2004, social dialogue might improve once again.

Negotiations and consultations on the reforms take place partly on an ad hoc and informal basis, but the Social and Economic Council is as a general rule also involved. The government, the employers' confederation, trade unions, as well as NGOs, academia and certain sectors are represented. However, the most important bargaining in connection with the above-mentioned agreements (and attempts to reach agreements) took place on an ad hoc basis outside this body.

Apart from the Social and Economic Council, there exist a number of other consultative bodies. The NGOs are represented on the State Council for Social Action NGO. The Minister of Employment and Social Affairs established this council in 2001 in connection with the formulation of National Action Plans for inclusion.

Like in most of the other member states, the public employment service has been decentralised. Between 1994 and 2002, the main responsibility for ALMP was decentralised to the autonomous regions. However, the supervision and part of the decision-making authority remained with the National Institute of

Employment (INEM)- now renamed the Public Employment Service), which had a special-purpose tripartite body connected. It contains two operational bodies: The Sectoral Conference of Labour Affairs draws up the National Action Plan for Employment and co-ordinates national and regional level policies, including the national and regional level of the public employment service. It is supervised by the tripartite national-level General Council of the National Employment System (Albaracín 2004).

However, far from all attempts to establish bi- or tripartite consensus have been successful. The reason for the failure to reach an agreement on the 2001 labour market reform had to do with the trade unions' refusal to accept any reductions in dismissal costs and the employers' refusal to accept limits to temporary employment and subcontractors. Attempts to reach agreement on the reduction of working time also failed in 2001, as did new talks on the structure of collective bargaining in 2001. Moreover, the unemployment insurance coverage remains a controversial topic, and government attempts in 2002 to introduce a benefit reform that - among other things - made payment of benefits dependent on acceptance of a 'suitable job', were met with a general strike, and the government had to withdraw some of the reform (Miguélez 2002).

Social partnership at the *local and regional level* is growing, but is still not very widespread. Tripartite or (less often) multipartite so-called 'pacts' are the predominant form of these partnerships. All regions have such pacts, which in many ways duplicate the national employment pacts and also contain measures aimed at the inclusion of unemployed. The establishment of these regional pacts should be seen in the light of the gradual decentralisation of ALMP from the national to the regional level. The pacts often combine employment measures with industrial and educational policies and have similar aims of creating employment, inclusiveness and growth. In general, the pacts contain not only measures of employability, but also job-creation measures – especially in connection with jobs within community service (Aragón 2001). This has created opportunities for NGOs and commercial actors to be involved. The public authorities and the European Social Fund often co-finance these pacts.

Social partnerships in which public authorities do not take a leading role are rare, but they do exist in some of regions.

The role of the social partners in the NAPs

In Spain, an inter-ministerial committee with the public employment service and the Ministry of Labour and Social Affairs as the coordinators has the responsibility of writing the NAPs. The social partners are consulted in the process. There are often a number of meetings (between two and four) during the consultation process.

The trade unions were very dissatisfied with the process in relation to the first NAPs, because the trade unions expected bargaining, but only got a limited number of consultative meetings late in the processes. Moreover, the unions

have been dissatisfied with the content of the plans, largely because of insufficient provision of funding for the different measures (Spineux et al. 2000). According to the EIRO survey, however, the social partners' satisfaction with the involvement improved between 2002 and 2003. The most important difference was that in 2003 the social partners were requested to provide their views before the draft document was issued. Furthermore, the social partners wrote part of the annexes (Baradel & Welz 2004).

However, this picture of a positive development in the involvement is only partly confirmed by the interviewees. Both the trade unions - the UGT and the CCOO - complain that their views were not sufficiently listened to in 2003, but emphasise that the situation improved a lot in 2004; among other things because the new government was willing to let the trade unions introduce 'slight changes' in the last minute. The representatives of the employers' confederation, CEOE, on the other hand, found the process in 2004 very disappointing because of lack of interest in the NAPs from the government side, but found an excuse for the government in the fact that the new government only took office a few months before the NAP process began.

Most years the CCOO and UGT have been able to produce common contributions to the NAPs, but some years they have not. Some years back, however, there was less agreement between the two trade unions than at present, which might have something to do with less willingness on the part of the UGT (which has close relations to the Socialist Party) to enter into tripartite agreements with the centre-right government, because of fear of creating tensions with the opposition party.

The degree of tripartite agreements

Whereas a high level of agreement on the main lines of employment policy were found in Denmark, and a moderate to high level in the UK, the level of agreement in Spain could be described as moderate to low. On the one hand, the social partners and the government have been able to reach agreement on a large number of labour market and welfare state reforms, and in some years there has been common satisfaction with the NAP process. On the other hand, a number of general strikes, failures to reach agreement on important reforms and a general dissatisfaction with the NAP process show that even though relations between the three key actors have improved, Spain is still far from a situation where agreement on the main lines of the employment policy has been institutionalised. This leaves more opportunities open for the key actors to use the EES strategically in media and political debates than in the UK, and much more than in Denmark.

EES in media and political debates

This opportunity is actually used. Langhoff-Roos finds that the political debate in the late 1990s was explicitly linked to the EES and references to the strategy

were quite common (Langhoff-Roos 2001). Ørnsholt and Vestergaard confirms these findings, in that the Spanish EMCO representatives - together with the Greek and Italian ones - were those reporting the most frequent media reference to the EES. Spain scored 'often' on a five-point scale from 'never' to 'very often' (Ørnsholt & Vestergaard 2003: 91).

References to the EES in political debates and other forms of communications between the main actors also seem to be more widespread in Spain than in the Denmark and the UK. The employers' confederation report that the employers' organisations and the trade unions do refer to the EES, including the recommendations, in political debates, whereas the government does so a bit less, probably because they are the main responsible actor for the recommendations.

4.3 Impact on policy content and processes

Just as in Denmark and the UK, the official evaluation of the impact of the first five years of the EES in Spain report primarily on the development in relation to key indicators related to the four pillars of the strategy and their relation to particular policy programmes, but has much less to say about the extent to which these policies are actually influenced by the EES. The report does nevertheless contain some indications in this regard: 'the changes in the composition of the active measures geared towards the target groups were basically determined by the adaptation of EES guidelines' (Department of Economic Analyses 2002: 8), 'following the EES, equality policies began to take on a horizontal approach, affecting the full range of labour policies (ibid.:31) and 'The EES has become increasingly integrated into the NAPs, although the employability pillar still draws most attention. So the EES has a reasonably positive impact in Spain (ibid.:45)'. However, the report fails to show how it comes to these conclusions.

The limited literature available in English, drawing on independent research on the impact of EES on the *policy content* in Spain, has in general been more willing to grant a role to the strategy than in the cases of Denmark and the UK. The studies tend to focus on specific types of impacts or only parts of the employment policy. Langhoff-Roos focuses exclusively on the employability pillar in his analysis. He finds that the EES is one of several causal factors for the increase in the budgets for active policies in Spain. He finds further indications of impact from the EES in the fact that the target groups of the employment policies have increasingly become similar to those of the EES; that the government makes specific references to the EES in their justification for introducing new employment policy programmes; that the EES has strengthened the opposition parties and the trade unions in their demands for activation policies along the lines of the EES, and that the EES has supported the creation of an 'epistemological community' of researchers, politicians and civil servants advocating the benefits of activation policies. The fact that Spain

has been a main recipient of financial resources from the European Social Fund, which to some extent is co-ordinated with the EES, has also according to Langhoff-Roos contributed to the impact (Langhoff-Roos 2001).

López-Santana reports on a number of important findings both in connection with the impact of the overall strategy and in connection with gender equality. Even though stating that ‘most policy areas were not particularly shaken by the EES’ (López-Santana 2004:17), she nevertheless finds several types of impact. On a general level the EES has added coherence, structure and clearness to the (re)formulation of employment policies, created a common language and a common point of reference, redistributed powers between the ministries (in making other ministries and the Ministry of Labour and Social Affairs responsible for employment policy) and - through the co-ordination processes connected to the EES - made it clear for national and regional actors that they run the same programmes and projects in an uncoordinated way. Further, in relation to specific policy areas, López-Santana argues that prior to the EES there was a lack of commitment to addressing gender equality in the workplaces, and the EES has helped the actors wanting higher priority to gender equality and contributed to including this issue in the 2002 and 2003 Agreements of Collective Bargaining. Likewise, even though ALMP was established before the EES was set up, the EES was, according to the author, instrumental in reformulating the policies along the line of the preventive approach (*ibid.*).

Other studies address the impact of EES in Spain as part of broader analyses. In their comparative studies of social partnerships in Europe, Mailand and Andersen find that ‘if there have been any real impact effects of the EES in Spain, it has been the potential rationalisation resulting from a collection of initiatives in a single document and from the introduction of quantitative evolutions’ (Mailand & Andersen 2001: 7). In her analysis of the impact of EU policies in general on the Spanish welfare state, Guillén – like Langhoff-Ross – points to indigenous factors rather than the EES and other OMCs as the main drivers in Spain, but nevertheless finds that the OMCs and the NAPs have been part of ‘indirect Europeanisation’, which ‘has facilitated learning and non-incremental change. In other words, the incorporation of the EU discourse on the fight against poverty and social exclusion, gender equality, conciliation of family and working life, and active employment policies into the national discourse, preferences and aspirations has been of utmost importance’ (Guillén 2004: 298). Clearly, impact of this kind is beyond peer pressure and strategic use, and is connected to what Zeitlin calls socialisation and discourse diffusion.

Regarding the influence on the content of the policy, the above picture of a general but hard-to-prove impact on employment policies via socialization and common discourses, and a more direct impact on particular issues or programmes, is partly confirmed by the interviewees of the present project. Some of the areas of impact are the same as those found in the earlier studies of

the impact of EES in Spain. First, several of the interviewees mention the preventive approach within the employability pillar/the new guideline 1 as something that would not have been introduced without the existence of the EES. At the same time, however, most interviewees acknowledge that active policies as such were created prior to the EES and also acknowledge that it has been very difficult actually to implement the preventive approach - as well as making activation compulsory - because of the very high number of unemployed people and the not very developed PES.

Secondly, the gender issue is mentioned as an area where the EES has had an impact, but in this case the EES is most often pointed out as one of several forces, whereas the EES was emphasised as *the* most important factor for the development of the preventive approach. What is pointed to is both the general increase in the attention given to the issue of gender and the labour market, but also more specifically the inclusion of women in the target groups for job creation programmes as well as the initiatives in relation to childcare provision and the introduction of gender equality issues in the collective agreements. However, some of the interviewees have their doubts about how important the EES has been in relation to giving higher priority to the issue. That is because the gender issue was on the agenda in employment policies prior to the initiation of the EES, and because the problem has been so well known and visible that the initiatives according to these interviewees first of all must be seen as 'problem-driven' rather than driven by demands from the EES. Further complicating the possible EES impact on gender issues in Spain is that it is difficult to separate EES influence from the European gender equality directives and the Court of Justice's judgements from that of the EES.

These two features - the preventive approach and gender equality - are close to the only areas pointed out as cases of EES impact in relation to policy content. One interviewee mentions the Single Business Window programme, which assists small businesses with bureaucratic matters through advice from public consultancies. This programme was started in 1999, and still exists. However, it is not clear how the EES has impacted this particular programme.

Whereas all other interviewees point to some form of impact from the EES on the content of Spanish employment policy, one of the interviewees rejected that the EES has had any impact at all on the content of Spanish employment policy, because the recommendations are seen as self-evident, and Spanish employment policy is driven by the Spanish labour market problems solely. However, the interviewee acknowledges that the EES might have created a common language and fixed priorities - the latter might actually be seen as a form of peer pressure, but that is not the conclusion this interviewee draws.

Regarding the *policy processes*, the picture is more mixed. The interviewees in their answers tend to focus on the inter-ministerial coordination, the coordination between the ministries and the regions, and the degree of consultation with the social partners, whereas the potential developments

towards quantification and an evaluation culture were not mentioned. Most of the interviewees were of the opinion that the EES did not have any impact on the processes of the Spanish employment policy, but some were of the opinion that the co-ordination between the ministries had improved. As an example of this improved co-ordination was mentioned the co-ordination between the Ministry of Labour and Social Affairs and the Ministry of Education. One of the reasons mentioned for the EES effect on the central-regional coordination was that the EES depoliticised the communication, which could otherwise be difficult if the regional government and the national government did not pertain to the same political party. The co-ordination was improved because it was asked for by a third party (the EU) and therefore did not fall victim to national-regional tensions to the same extent as purely 'indigenous' policies.

Even though the Spanish actors can point to cases where the EES has had an impact, there are several *recommendations* in areas not mentioned as cases of EES influence. Looking at table 4.2, recommendations related to activation/prevention (including modernisation of the PES) are repeated every year, and so are recommendations related to gender equality (including increasing the overall employment rate and improvement of childcare facilities). But there are others, not pointed to by the interviewees as having an impact. Recommendations in one form or another related to training, education and life-long learning (including early school leaving) have been seen every year since 2001. Recommendations related to modernisation of work organisation (including increase of part-time contracts, decrease of fixed-term contracts and balancing flexibility and security) have also been repeated every year since 2001, and since 2002 a recommendation on increasing and removing barriers to mobility (incl. coordination between the regional PES) has been repeated. That the recommendations are repeated is not because no action has been taken in the areas, but because the actions have been insufficient to remove the problems

Just one recommendation has been removed during the years – that is the recommendation to “examine the incentives/disincentives emerging from the tax and benefit systems”. It is not clear if this recommendation has been removed due to initiatives taken by the Spanish government, or if it is due to other reasons.

2004 has seen the adding of a controversial issue to one of the recommendations. The adding of the sentence 'increase the attractiveness of temporary agency work for workers' has caused some confusion and resistance among the government and the trade unions. The trade unions in Spain have, even more than in other European countries, been opposed to temporary work agencies. And the government has been quite confused about what the reasons for adding this sentence to the recommendation have been.

Table 4.2: Recommendations given to the Spain, 2000-2004

	<i>Recommendations (short form)</i>
2000	<p>1 pursue preventive policies initiated in 1998...increasing the number and the efficiency of the individualised activation measures</p> <p>2 adopt and implement coherent strategies, encompassing regulatory, fiscal and other measures, designed to reduce administrative burdens on companies</p> <p>3 intensify efforts to mainstream equal opportunities in employment policy beyond the preparatory measures already announced</p> <p>4 pursue efforts to upgrade the statistical monitoring system, so that policy indicators on prevention and activation will be provided by 2000 in accordance with the agreed definitions</p>
2001	<p>1 continue modernisation of the public employment service (incl. completion of statistical monitoring system) and step up the preventive approach so as to cover all potential beneficiaries</p> <p>2 do more to support mainstreaming of equal opportunities in order to bring the female employment rate up towards the EU level</p> <p>3 develop and implement a coherent strategy on lifelong learning which include targets and encompasses initial and continuing education and training...Special attention should be given to the problem of early school leavers</p> <p>4 pursue efforts, in partnership with the social partners, to adapt employment relations...and to develop new forms of work organisation, by ensuring a right balance between flexibility and security</p> <p>5 examine the incentives/disincentives emerging from the tax and benefit systems with a view to increase participation in the labour market and stable employment</p>
2002	<p>1 continue modernisation of the public employment service (incl. completion of statistical monitoring system) to improve its efficiency, and step up the preventive approach so as to cover all potential beneficiaries</p> <p>2 take effective and comprehensive action to increase the overall employment rate and to close the gender gap in employment and unemployment Implement targets for care facilities for children</p> <p>3 vigorously complete reforms on vocational and training to encompass a comprehensive strategy on lifelong learning, incl. Setting verifiable targets</p> <p>4 further modernise the labour market and work organisation with active involvement of social partners to reduce share of fixed term contracts and increase use of part-time contracts</p> <p>5 improve conditions conducive to employment creation in regions lagging behind and eliminate obstacles to labour mobility</p>
2003	<p>1 improve, in consultation with the social partners, work organisation and the participation in lifelong learning... Revise the regulatory framework, reduce the high share of fixed-term contracts and increase use of part-time contracts</p> <p>2 take effective action to increase the overall employment rate and to close gender gaps in employment and unemployment Improve childcare facilities</p> <p>3 improve employment creation in regions lagging behind and eliminate obstacles to labour mobility, incl. reinforcing the coordination between regional public employment service</p> <p>4 complete modernisation of PES, incl. Completion of the statistical monitoring system.</p>
2004	<p>1 promote modernisation of work organisation to strengthen productivity at quality at work</p> <p>2 make permanent contracts more attractive to employers and fixed-term contract less attractive; increase attractiveness of temporary agency work for workers; remove obstacles to part-time work</p> <p>3 use possibilities of wage differentiation according to productivity developments at local, regional and sector levels</p> <p>4 raise incentives for women to participate in the labour market; increase availability and affordability of childcare facilities</p> <p>5 greater access to and efficiency of ALMP for disadvantaged people; complete the modernisation of public employment service(incl. statistical monitoring); strengthen coordination between regional PES; address obstacles to geographical mobility</p> <p>6 introduce comprehensive strategy for active ageing</p> <p>7 reduce early school leaving and secure quality and labour-market relevance of tertiary education</p> <p>8 strengthen incentives for lifelong learning</p>

4.4 The government's goals and ideology

It is noteworthy that the Spanish governments in the years of the EES's formation were initially in opposition to the strategy. Since its entrance into the EU in 1986, Spain had been sceptical about including social policy issues into the EU, and the newly elected Party Popular government was even more sceptical than the previous Socialist government, as became visible in the negotiations of the employment title of the Amsterdam Treaty in 1997. After the election of the New Labour government in Britain earlier that year, and after France had started backing it up, Spain and Germany were isolated in their resistance towards the employment title and the EES. The Spanish scepticism was especially caused by fear that an employment strategy would be used as an excuse to cut down on the social funds, which Spain was one of the main beneficiaries from. However, when it became clear during the Luxembourg meeting that there would be no special EU funding connected with the strategy, and Spain and Germany in co-operation with other countries further prevented a French proposal of juridical binding guidelines in connection with the strategy and furthermore limited the use of quantitative indicators to three of the 19 guidelines, the Spanish government was able to sign and support the Luxembourg conclusions. The governments continued nevertheless to be reluctant towards the strategy, which caused a great deal of criticism from the Socialist opposition, and the trade unions' behaviour (Langhoff-Roos 2001: 46-52). This has contributed towards making the strategy more debated than in Denmark and the UK, as described above.

The EES does not create the same level of tensions anymore, and the Party Popular government seems to have accepted the strategy already in the late 1990s. Even though it might be possible to find more enthusiastic supporters, there is on the other hand nothing in the ideology and main aims of the Aznar government that has prevented an impact from the EES. The new Socialist government shows, according to most of the interviewees, strong signs that they are going to put the EES higher on their agenda than the previous governments. However, that it is too early to judge about that.

4.5 Summary

The Spanish employment policy does show signs of stronger impact from the EES than the British and Danish equivalents. The indications of impact on policy content are found in relation to the preventive approach and equal opportunity, especially in connection with the incorporation of this issue in collective agreement agendas. Weaker and more disputed indications of impact are found in relation to policy processes, where some observers and interviewees point to a connection between the NAP processes and the improved inter-ministerial co-ordination. Others yet have seen the increasing use of quantifications, evaluations and follow-ups in employment policies as resulting from the EES.

Further, there might have been an indirect impact from what has been called ‘indirect Europeanisation’, that is, the incorporation of the EU discourse in the fight against poverty and social exclusion, gender equality, conciliation of family and working life, and active employment policies into the national discourse. This is also found in the other countries, but it might have had more impact in Spain because of the weakly developed welfare state at the time of EU entry in 1986, and because of the importance of the EU as a financial source for infrastructure and welfare service.

However, these features have not only worked through socialisation and the creation of discourses, but may also have impacted through one of the mechanisms focused on in this paper, namely peer pressure. This is so because of the fact that Spain has been among the main recipients of the financial resources from the European Social Fund. Since the same General Directorate (DG Employment and Social Affairs) administers the EES and the social fund, the fear that non-compliance with the EES could have financial consequences might have improved the EES impact.

However, not in the Spanish case either does the EES seem to be a strong driver of national employment policy, despite of the cases of impact. As in Denmark and the UK, the interviewees as well as other well-informed observers tend to see the changes as driven by problems in the labour market, mediated through indigenous employment policy, rather than by international organisations.

Explanations of the relatively stronger impact in Spain have been searched for among several factors, some of them proposed in the hypotheses. Most policies, also in the areas where some impacts from the EES are found, were developed prior to 1997, and the habit of involving social partners in employment policy issues is not that new either. However, the level of compliance with the EES before the mid-1990s was much lower in Spain compared to the situation in the UK and, especially, Denmark. This leaves much more room for impact.

The connection proposed in the ‘consensus hypothesis’ is partly supported by the Spanish findings. The level of agreement on the employment policy is fluctuating, but has in general increased. Still, as both a number of social dialogue failures, general strikes and social partner complaints in relation to their NAP involvement show, employment policies continue to be very controversial and the agreement on content and processes has far from reached a level where it constitutes a more or less impermeable shield for EES. This opens the opportunity for strategic use of the EES by the key actors. And the key actors have actually used the EES as a reference point in debates, even though not to the same extent now as in the first years of the EES. Furthermore, the NAP process has been controversial, and especially the trade unions have repeated their demands for more and deeper involvement.

Regarding the 'ideology hypothesis' it is noteworthy that the Spanish centre-right government initially resisted the EES, and even though their gradual acceptance of the strategy to some extent opened the door for EES influence, the Spanish governments up to 2004 might to a greater extent than in UK and Denmark be seen as a potential obstacle to EES impact. Nevertheless, to the extent there has been a misfit between the EES and the goals and ideologies of the Aznar government, it was primarily present in the first years of the EES, and it has not blocked for impact. It remains to be seen if signs that the new Socialist government will prioritise the EES higher than the former government will last.

Other factors, not addressed in the hypotheses, might also help explain the stronger impact in Spain compared to Denmark and the UK. Despite an impressive level of job-creation, Spain cannot point to a well-functioning labour market with very high employment rates, such as Denmark and the UK can, which could have diminished the effects of recommendations. And maybe more importantly, Spain does not have a Euro-sceptical population as those found in the UK and Denmark. The door is therefore open to use references to the EES in media and political debates; this might be one of the reasons why references to EES are found more often in Spain than in the other two countries.

5. Poland

5.1 The main employment policy programmes

Employment policy acts and programmes 1990-2004

Employment policy has a somewhat shorter history in Poland than in the other three countries. The concept ‘unemployment’ was first officially introduced in 1989 and the new modernised model of the public employment service was set up in 1991. That year, unemployment had already exceeded 10 percent and the first programme to counteract this newly recognised phenomenon, *Programme for Counteracting Unemployment and Alleviating its Negative Effects*, was formulated in 1992. It was followed by *Programme for Productive Promotion and Unemployment Curb* and *Programme for Promotion of Vocational Activity of the Youth* in 1995. These programmes contained elements such as job creation, economic growth stimulation through investment in housing, new regulation of vocational education and training, etc. However, the programmes were mostly declarations of intent; the measures were poorly developed or not developed at all, and there was a lack of funding (Wolinska 2003).

Some of the same elements are found in the *Programme for the Promotion of Productive Employment and the Reduction of Unemployment* in 1997. According to some sources, this was the first programme to be at least partly implemented (Kozek 2004: 321). Other sources point to the year 2000 and the follow-up of the above-mentioned programmes, the *National Strategy of Employment Growth and Human Resource Developments 2000-2006*, as the initiation of employment policy in Poland. This programme was largely aimed at showing Poland’s preparedness for accession to the EU. Its overall aim was to increase employment, because unemployment in 2000 had risen to 16 percent. The program was modelled on the four pillars of the EES and owed much to the ideology of the strategy.

At this stage, the Polish government felt ready to draw up a NAP, closely following the European employment guidelines from 1999. This resulted in the *National Action Plan for Employment 2000-2001*. The plan operationalised the National Strategy. It was concrete and detailed, pointing to, *inter alia*, the responsible institutions and financial sources. However, the economic situation deteriorated even more, and the NAP was not taken into account when the budget for 2001 was prepared and therefore not implemented to any notable extent (Wolinska 2003).

Simultaneously with the drawing up of the NAP, the Polish government – as well as the governments of the other candidate countries – had since 1999 been involved in an ongoing dialogue with the Commission to ensure that the candidate countries were able to implement the employment title of the Amsterdam Treaty and were ready for financial support from the European

Social Fund (ESF). It was agreed that in a first step candidate countries and the Commission would analyse the key challenges for employment policies in a *Joint Assessment Paper* (JAP). The work started with some background studies and – in the Polish case – the JAP was finished in early 2001.

Because the government changed in late 2001 and because the Commission had specific wishes for the content and form of the JAP, the JAP could not just recycle NAP 2000-2001. The JAP stressed the need to: complete educational reforms; expand continuous training, maintain wage development in line with productivity growth; ensure coordination of tax and benefit systems to provide employment incentives; provide public employment services with resources and structures necessary to secure quality service and a shift from passive to active measures; secure an active role for social partners in employment policy; address high regional unemployment; address gender gaps; and finally, continue the government's initiatives to set up institutional structures necessary for the implementation of ESF. (Ministry of Labour and social Policy & The European Commission (200)).

The change of government in 2001 implied that the National Strategy from 2000 and NAP 2000-2001 were followed in 2002 by another programme, named *Entrepreneurship-Development-Employment*. This programme contains two sub-programmes: Entrepreneurship First focuses on measures to facilitate business operations through: new regulation on the registration of companies, changes in taxation and insurance, reduced reporting obligations, amendments to labour legislation and combating unfair competition (Kozek 2004:322). First Job, however, is the core of the programme. It aims at reducing youth unemployment and is targeted school leavers. Approximately 100 million Euros have been allocated to the programme. It contains measures such as: wage subsidies and reduction of social security contributions for SMEs and social-intervention work (max. one year); cost reductions for employers offering apprenticeships, support for school leavers, micro-loans and other support for business start-ups; the inclusion of entrepreneurial skills in school and university curricula; promotion of voluntary work to get experience from working environment; and finally improving information, vocational guidance and assistance in job-seeking (Ministry of Labour and Social Policy 2002). Some see this programme as the only real ALMP programme in Poland. Because of the very high youth unemployment, the programme in 2002 had as many as 110,000 participants, representing approx. 60 percent of all school leavers (Kozek 2004: 325).

The latest programmes stem from the new *Act regarding Employment Promotion and Labour Market Institutions* in 2004. The act does not replace, but adds to, the initiatives taken in 2002. The new act introduces: subsidies - for a period up to 12 months - for commuting and accommodation costs related to paid employment/apprenticeships; subsidies for equipment related to work and business activities; the legal possibility of establishing self-financing training

funds which can qualify for a partial reimbursement from public authorities; reimbursement (in part) of wage cost if unemployed people are hired to substitute employees on training leave; monitored redundancy programme which obliges employers with more than 100 employees to support laid-off workers with training and career guidance in case of collective redundancies. The new act also introduced a number of ‘make-work-pay’ initiative, such as the possibility for an unemployed person who takes up a job paying less than the minimum monthly wages to continue drawing a proportion of his or her unemployment benefit. Further, the act reduces the maximum benefit periods from twelve to six month for unemployed in areas with less than 125 percent of the average unemployment level. Finally, the act introduces a number of changes in the public employment services to make it in line with the EU and ESF requirements and facilitate the implementation of the NAPs (Czarzasty 2004). These changes have been seen as necessary because the decentralisation of public employment services made policy co-ordination more difficult (Gardawski 2003a).

Table 5.1: Most important Polish employment acts and programmes 1989 – 2004

1989 – Act regarding Employment
1991- Act regarding Employment and Unemployment
1992 - Programme for Productive Promotion and Unemployment Curb
1994 – Act regarding Employment and Counteracting Unemployment
1995 – Programme for Promotion of Vocational Activity of the Youth
1997 – Programme for Promotion of Productive Employment and the Reduction of Unemployment
2000 - National Strategy of Employment Growth and Human Resource Developments 2000-2006
2000 - National Action Plan for Employment 2000-2001
2000 - Sectoral Operational Programme
2001 - Joint Assessment of Employment priorities in Poland (JAP)
2002 - Entrepreneurship-Development-Employment (containing First Job; Entrepreneurship First)
2003 – National Development Plan 2004 –2006
2004 - Sectoral Operational Programme for Human Resources Development 2004-2006
2004 - Act regarding Employment Promotion and Labour Market Institutions
2004 - National Action Plan for Employment 2005*

* = whereas most other member states refer to the year the NAPs are drawn up, Poland chose to refer to the following year (when it will be implemented).

5.2 Processes around the employment policies, JAP and NAPs

Polish social partner organisation

The social partners in Poland are primarily represented by two trade unions and two employers' association, even though the last couple of years have seen the appearance of a couple of new organisations. The two trade unions are *Solidarnosc*, well known for its political role in the transition to democracy, and *OPZZ*, the reformed Communist trade union. Both trade unions have experienced declining membership during the 1990s. According to recent surveys the overall trade union density is somewhere between 8 and 18 percent, with the *Solidarnosc* membership close to double that of *OPZZ*. In 2002, a new trade union, *FZZ* (Trade Union Forum) was created by dissatisfied members from the other trade unions. Its membership amounts to one-third of that of *Solidarnosc* (Kozek 2004).

The largest and oldest of the employers' organisations is the Confederation of Polish Employers (*KPP*), established in 1991. Initially this confederation represented mainly state-owned enterprises, now mainly privatised companies. In 1999, the Polish Confederation of Private Employers (*PKPP*) was set up, attracting mainly SMEs and companies created after 1990s that felt the *KPP* to be too dominated by large companies. Also the *Polish Craft Association* is now a recognised social partner. They joined the Tripartite Commission in 2000. Finally, in 2003 the *Business Centre Club* was established. This is more like a network of business clubs than an employers' association, but has nevertheless been recognised by the government and is now represented in the Tripartite Commission.

On the trade union side, only *Solidarnosc* is a member of the European Trade Union Confederation (ETUC). Of the Polish employers' organisations *PKPP* is member of UNICE and *KPP* has been a member of CEEP since late 2003. The other organisations are not members of the European organisations.

The role of the social partners in 'indigenous' employment policy

The formal bodies for the involvement of the social partners in issues related to employment policies are the *Tripartite Commission for Social and Economic Issues* and the *National Employment Council*. Through these two bodies the social partners have been involved in most of the major employment policy programmes, but to varying extent.

Both the first and the second Sectoral Operational Programme were discussed in the Tripartite Commission, but the *OPZZ* complains that the organisation was not consulted separately and did not have enough time to react (Kozek 2004:325 and 338).

All partners agreed on the *First Job*, as it essentially provided funding without major sacrifices for the social partners. Some interviewees, however,

pointed to initial scepticism from Solidarnosc because it feared that older unemployed people would be excluded in the employment policy as a result of the introduction of this programme. However, the *Entrepreneurship First* programme under *Entrepreneurship-Development-Employment* was subject to heated discussion in the Tripartite Commission for six months. Solidarnosc wanted corporate taxes and 'red tape' to be reduced first, and only thereafter reductions in labour costs and introduction of more flexible contracts. The OPZZ president agreed initially to the programme, but was forced by his own organisation to withdraw from the agreement. The government sent the draft labour code to the parliament without the approval of Solidarnosc (Kozek 2004: 322-323).

In 2003, attempts to reach a wide-ranging 'agreement for labour and development' - a 'social pact' facing the many social and economic challenges - failed. It was not possible to establish consensus on a new strategy to counteract unemployment and stimulate entrepreneurship through changes in the wage-setting, labour codes, law on collective agreements, tax system, the Labour Fund and on the fund for bankrupt businesses. Resistance from especially Solidarnosc in this connection blocked a large-scale pact, but agreement was reached on a number of issues. These included, *inter alia*, an agreement on the indices for wage increases in 2004, retirement programmes, disability benefits and the Acts of the Tripartite Commission and the Regional Social Dialogue Committees.

Part of the *Act regarding employment promotion and labour market institutions 2004* was met with scepticism from the trade unions when the draft was first discussed in the Tripartite Commission. The trade unions complained about the changes in unemployment benefits. Moreover, the trade unions wanted to go further than the government in relation to reforming the PES. They asked for a complete re-centralisation of the PES, and not only the piecemeal one that was proposed and later approved in the parliament (Gardawski 2003b).

In sum, it could be said that the social partners are represented and consulted at all levels and on most of the important employment related issues, but their real influence on the government's policy is limited by the rivalry on both sides, and by the weakness of the social partners in terms of organisational capacity and membership. Further, the very politicised nature of the dialogue where each of the two strong trade unions have been closely connected to dominant political parties has also led to a situation where the real influence of the labour market parties far from matches their representational weight. Nevertheless, the trade unions still have pockets of strength, especially in the part of the manufacturing sector that is still state-owned, such as mining and railways, and their support or lack of support for politically initiated initiatives is still in some cases of importance for their success.

Involvement of the social partners in EES documents: JAP and the NAPs

The involvement of the social partners in the EES process, i.e. the JAP, the unofficial NAP 2000-2001, and the official NAP 2004, has seemingly been limited, but in general both trade unions and employers' associations feel adequately informed – the OPZZ, however, tends to be less satisfied than Solidarnosc (Kozek 2004: 332-338).

Whereas it has been difficult to get information about the role of the social partners in the first 'unofficial' NAP from 2000-2001, it is fair to say that the social partners' involvement in the JAP process was rather weak. They were informed through the National Employment Council and the Tripartite Commission, and at a conference organised by the Commission they were invited to give their views on the JAP. Neither the conference nor the consultation/information process led to major suggestions for changes in the JAP. The social partners did not use this opportunity to influence Polish employment policy.

Likewise, the role of the social partners in the NAP 2004 seems to have been limited, but more information is needed here⁸. The social partners were not part of the team of 25 representatives set up to prepare the NAP. Some consultation has been taking place since, but there is a lack of information on the processes and outcomes of this (Bartkowski & Giermanowska 2004).

Degree of tripartite agreement

In *sum*, even though there has been consensus on one of the most important employment policy programmes, First Job, it cannot be said that an overall consensus on the main lines of the employment policies has been established. This is the case in spite of the fact that tripartism has a long history in Poland and has played an important role in the early and mid-1990s - some sources even found tripartite arrangements in the interwar period (Kozek 2004: 339).

However, since the mid-1990s the social dialogue has again and again run into difficulties and only few agreements have been reached (Mailand & Due 2004) - the most recent development in the employment policy area does not seem to change this picture.

Nevertheless, the social partners do in general feel they are informed and consulted, but some complain about being consulted too late in the process or that their proposals are not being taken seriously by the government – again mirroring earlier descriptions of social dialogue also in fields other than employment policy. The social partners are weak in terms of memberships and organisational capacity, which might give room for *de facto* unilateral state action.

⁸ More information regarding the involvement of the social partners will be provided by the interview round in late 2005.

EES in political and public debates

None of the three key actors tend to refer to EES in the debates on employment policies and, as in the other countries, the EES is mostly known by a limited number of politicians, civil servants and social partner representatives. References to the EES in political debates might - at least until 2004 - have been even more limited than in the other three countries, simply because Poland was not formally a participant in the EES, and because if and when EU employment policy issues have been on the political agenda, the focus has been on the 'acquis communautaire' (the legislative adjustment to EU-legislation) and ESF.

For the same reasons, the EES is not discussed in the media to any notable extent. To our knowledge, no surveys have been made yet on the extent of the references to EES in media, as in the three other countries.

5.3 Impact on policy content and processes

In order to estimate the impact of the EES, the EES will in this case both be represented by the JAP process running from 1999 and the NAP process, which Poland has fully participated in since 2004. However, in the Commission's and Council's joint employment committee, EMCO, Poland has been represented as an observer for a couple of years.

In its feedback on the JAP in early 2003, the Commission recognised the 'Entrepreneurship-Development-Employment' as a response to the ever-worsening employment situation in Poland. Without directly commenting on the initiatives, the Commission mentions a number of the actions Poland had taken to address the various problems in the labour market. These actions are: initiatives to reduce the tax wedge, reducing the cost for SMEs recruiting graduates and reducing the administrative burden for micro-firms; the phasing out of pre-retirement allowances; the introduction of more stringent criteria of social assistance allowances; the introduction of a temporary, lower minimum wage for new labour market entrants; and the (at that time) planned 'new model of management' of PES. Further, the Commission mentions a number of other initiatives and stated intentions in relation to social partnerships, investment in human resources, investment in ALMP, promotion of gender equality and preparation for ESF support.

However, in the same document the Commission calls for the need: to develop the piecemeal tax initiatives into an in-depth review of the tax-benefit system to further reduce the tax wedge; to continue social assistance reforms to promote active job search; to secure that public employment service is a key instrument for implementation of national employment policies and allocate sufficient resources for its operation; to develop a coherent framework for lifelong learning and allocate sufficient resources for this task for the social partners; to promote structural change at the enterprise level (European Commission 2003c) – see table 5.2).

In late 2003, the Commission made another progress report to conclude the JAP process, before the accession countries became EU members and started their work on the NAPs. This report had no country-specific ‘supporting document’, but contained nevertheless some country-specific remarks. In relation to Poland it is, among other things, mentioned that progress has been taking place in developing lifelong learning strategy, that the lower minimum wage for younger people is a suitable action to secure that the low-skilled are not priced out of the labour market, and that the intended reform of the public employment services mentioned as a step in the right direction. However, concern is also expressed that less than 1 percent of low-skilled adults participate in education and training, that the spending on active measures remains low, that long-term unemployment is more than 10 percent, and that there is a need to increase the participation of older workers (EU-Commission 2003b).

The question is if any of these comments from the Commission - or any other communication between the Polish government and the Commission - can be said to have had an impact on the *content* of the Polish employment policy.

Polish civil servants involved in the drawing up of the JAP in Poland point to a couple of issues that have been introduced or have got a far more prominent place in Polish employment policies than they would have if it had not been for the EES. One of them is the tax wedge, i.e. the difference between the employees’ take-home pay and what it costs to employ them, which is made up of income tax and the social security contributions of employees and employers. This is an issue the Commission introduced already in 1999 when the initial discussion in connection with the JAP process began. Because the revenue from these sources was - and still is - important for financing welfare programmes, it is very unlikely that any steps would have been taken in this area without pressure from other actors, such as the EU.

Another issue which has been influenced by the EES is the financing of the pensions. Already during the initial talks in 1999 the Commission put pressure on the Polish government to change the financing of the pensions for farmers from a situation where 95 percent of the costs were paid by the government, towards a greater share of contributions from the farmers. The present government has considered following the advice, but it still remains to be seen whether they will actually do so. Until now, the reform has been delayed by strong opposition from the trade unions of farmers and from the farmers’ parliamentary representation.

As can be seen from table 5.2 below, there are other issues related to the content of the employment policy that the Commission has been pushing for. However, it is difficult to confirm any specific effects of the EES on these. The pressure to increase spending on active measures goes back to the initial discussions before the JAP was written, but spending on these measures decreased rather than increased in the late 1990s, but is now on the rise thanks

to support from the European Social Fund (Giermanowska 2004). Both unemployment benefits and active measures are financed from the same fund, and when unemployment increases and the fund is not enlarged, less money remains for active measures.

Table 5.2: 'Recommendations' given to Poland in 2003 – 2004

	'Recommendations' (short form)
2003*	1 develop the piecemeal tax initiatives into an in-depth review of the tax-benefit system to further reduce the tax-wedge 2 continue social assistance reforms to promote active job search 3 need for social partners to promote structural change at the enterprise level 4 develop a coherent framework for lifelong learning and allocate sufficient resources for this task 5 secure that public employment service is a key instrument for implementation of national employment policies and allocate sufficient resources for its operation
2004**	1 Increase adaptability of workers and enterprises, by: Actions to create a more employment friendly and measures to support entrepreneurship are of particular importance, esp. in the context of restructuring; Reduce labour cost for the low-skilled and the young, reduce the tax-wedge, esp. in the lower end of the wage scale - this should also reduce undeclared work; SP have a key role in sustain an employment-friendly wage-development, promote change at enterprise level and facilitate job mobility 2 Attract more people to the labour market and making work a real option for all, by: as part of actions to create effective partnership for employment at local and regional level and develop ALMP, PL should accelerate the establishment of the new public employment service with sufficient resources; Reform of different benefit systems should focus on active job search and reintegration, esp. for young people. Obstacles for part-time work should be removed to sustain job opportunities for women and older workers. 3 Invest more and more effectively in human capital and lifelong learning, by: develop a coherent lifelong learning-strategy that provide skills needed in a lm characterised by structural change – particular attention should be given equal access and improve quality – greater incentives to invest in training, facilitate access and secure SP commitment are key requirements.

* Source 2003 = 'Key issues for the future', SEC (2003) 200, page 29. ** Source 2004 = 'Priorities for new member states' (2004/741/EC) (Council Recommendations).

The other initiatives taken in connection with "Entrepreneurship-Development-Employment" and mentioned by the Commission in the JAP progress reports are, according to the interviewees, not linked to the JAP process, and are not cases of impact.

Gender equality has not been addressed in the 2004 recommendations or in the feedback on the JAP, but was nevertheless mentioned by one of the interviewees as a case of impact; however, it is unclear what the connection to the EES is. In Poland the ratio of the female employment rate to that of men is close to the EU average, but there exists a wide gender pay-gap as well as a number of other gender inequalities in the labour market. During the last few years the government has been taken a number of actions related to equal opportunities, such as actions to prevent discrimination in PES, the removal of a list of jobs that women are not allowed to perform, and amendments of the possibilities for flexible working hours (Kozek 2004: 331).

If we turn to the impact on the policy *processes*, it seems that the JAP process and other forms of communication with the Commission have had a bit stronger impact than on the policy content. Civil servants point to at least three areas where the JAP process has had an impact. The first is the *strengthening of*

inter-ministerial cooperation. According to several interviewees, co-operation between the relevant ministries (primarily Economy, Labour, Social Affairs, and Education) hardly existed prior to the JAP process. The Commission emphasised this aspect a lot in the discussions on the JAP and checked if co-ordination had been taken place in connection with the different aspects of the JAP. An example of the strengthened policy co-ordination is a recent educational reform and the development of a reform of continuous education and training, in which the Ministry of Education and the Ministry of Labour and Social Affairs attempted to estimate the employment and not only the educational consequences of the reforms.

A second impact from the EES on the policy processes is the development of an *evaluation culture*. The first steps to set up measurable objectives were taken in connection with the formulation of the JAP process and the formulation of the National Strategy.

A third case of impact from the EES is seen in connection with the Employment Act 2004, more specifically the *public employment services restructuring*. The first JAP progress report from 2003 emphasised the need to secure public employment services as a key instrument for implementation of national policies and the second report commented on the government's mooted moves in this direction, even before these were transferred into legislation. Several interviewees mention this area as a case of impact from the EES and the JAP processes.

Finally, there is - to a much larger extent than in the other countries - impact in the form of framing national employment legislation along the line of the EES. Firstly, this is evident in connection with the very broad plans such as the *National Strategy of Employment Growth and Human Resource Developments 2000-2006* and the *Sectoral Operation Programme 2004-2006*, which both follow the structure of the EES very closely. Secondly, the wording and ideas in more specific acts, such as the Employment Act 2004, are clearly closer to the EES than employment acts from the other three countries. Thirdly, according to the Commission, the quality of the NAP 2004 - considered as a policy document - of the new member states is in general higher than the NAPs of the old member states. A newly established practice in Poland on reporting to the parliament on the follow-up and results of the NAP is also highlighted (SEC 2005 67/2: 37).

5.4 The government's goals and ideology

After a series of rapidly changing governments in the first seven years after the transition, the pace slowed down after the election in 1997, when the AWS party - with roots in the Solidarnosc movement and trade union - had a good election and formed a coalition government with the smaller party The Freedom Union (UW), under the leadership of Jerzy Buzek. In 1998 Poland started more serious negotiations with the EU on accession. Even though there

were political forces sceptical of the EU in the Polish parliament and wider society, neither the government nor the leading opposition parties were against EU membership. Also the following government, dominated by the post-communist party The Union of The Democratic Left (SLD), which held office from 2001, is pro-EU. This government - led by Leszek Miller until 2004 and then by Marek Belka - had initially close links with the OPZZ trade union. Despite the pro-EU governments, Euroscepticism in Poland might have played a role in the accession process, also in connection with employment matters and the EES. However, in any case it has not prevented EES impact.

Apart from the Euroscepticism, other potential clashes between the JAP/EES process and the Polish employment policy could be the degree of willingness to introduce reforms and, further, the content of the reforms. Generally speaking, Poland has chosen the hard way when it comes to reforms. This has especially been clear in the so-called 'Balcerowisc plan' from the beginning of the 1990s, which contained privatisations and liberalisations of trade, prices and wages. Other reforms have followed, and even though they have been less intensive there is nothing in the aims and ideologies of the two governments of the period that could be said to have worked against a reforming process.

Also, there is no direct conflict between the EES/JAP process and the content of the Polish employment policy. Clearly, the employment policies of Polish governments have in general been of the neo-liberal kind, when compared to the more social-democratically biased EES – this has, however, to a lesser extent been the case for the Belka government, which was elected partly as a reaction to the dissatisfaction with the neo-liberal policies of the previous government. But also this government has introduced further liberalisations in a number of areas.

In sum, the different orientations of the EES and the Polish employment policies have not represented a serious barrier to impact. The Polish governments have in general been able to formulate policies in all areas of the EES, and Poland represents - despite these differences in orientations - the strongest case of impact on policy formulation in our sample.

5.5 Summary

Poland is the member state showing the strongest impact from the EES included in this sample of four countries, even though Poland became an EU member state as late as in 2004. The impact has primarily taken place in the context of preparation for the participation in the EES and ESF, that is, the Joint Assessments Paper process that was initiated in 1999.

The cases of impact are found in connection with both contents and processes: the communication with the Commission led to an introduction of the tax wedge as a term, and political initiatives to counteract it. Also changes in financial sources of some pension schemes can be traced back to communication with the Commission. One interviewee points to gender issues

as an area of impact, but this is not the general opinion. It is, on the other hand, commonly acknowledged that inter-ministerial coordination has improved due to the processes around formulation of the JAP and the NAPs, just as the restructuring of the public employment services should be seen in the light of these processes. Furthermore, there is - to a much larger extent than in the other countries - impact found in the form of framing national employment legislation along the line of the EES. This is seen in connection with the very broad national employment plans that follow the structure of the EES very closely. It is also reflected in the wording and ideas in more specific acts and in the Commission's opinion that the quality of the NAPs 2004 of the new member states - considered as policy documents - are in general higher than the NAPs of the old member states. A newly established practice in Poland on reporting to the parliament on the follow-up and results of the NAP is also highlighted.

That the EES seems to have had larger impact than in the other countries - especially compared to Denmark and the UK - could be explained with reference to some of the same factors as in the other countries. The 'compliance hypothesis' is supported by the fact that the Polish employment policy in the 1990s was not in compliance with the EES, which has improved the opportunity for impact. The findings also support the 'consensus hypothesis' to some extent in that there has been a general lack of agreement on the main lines of the employment policy, leaving room for a strategic use of EES in national debates. However, this use did not taken place, maybe because the strategy was unknown, because 'more important' issues, such as the 'acquis communautaire' and the ESF, have attracted all the attention, or because the widespread Euroscepticism has made references to EU regulation difficult. What might have facilitated the impact, apart for the non-compliance at the outset, might have been the political as well as economic dependence on the EU. Political dependence has been caused by the fact that Poland until December 2002 was a candidate country, and threats of delaying or refusing membership were still a possibility until then. This has given Poland a strong incentive to follow advice from the EU. Furthermore, Poland is economically dependent on ESF for funding employment policy projects. Because the EES and ESF both fall under the same General Directorate, and because the JAP process is related to both the EES and ESF, this provides a strong incentive for Poland to follow the advice of the EU-institutions.

6. Comparative discussion and perspectives

6.1 Extent of impact and decisive factors at national level

The aim of this working paper has been to estimate the extent of the direct impact of the EES on member states' employment policies, and to discuss which factors are decisive for the extent of the impact.

The analysis carried out makes it possible to answer these questions. To take the first question first, *the EES has only to a limited extent had a direct impact on the employment policies of the member states, but the impact varies between member states.*

The relatively few cases of direct impact in the four selected countries are found both in relation to policy content and the process. As can be seen from Table 6.1, far more cases are found in Spain and, especially, Poland than in Denmark and the UK. The cases of impact are spread over several issues. However, four are related to development of or within activation policy (activation, preventive approach). There are two cases of improved inter-ministerial coordination, as well as two cases of introduction or improvement of statistics and evaluations.

Table 6.1: Cases of direct impact from the EES

	Denmark	UK	Spain	Poland
Content	preventive approach	activation policy?	preventive approach gender equality	tax wedge financing pensions activation policy gender equality?
Processes		social partnership?	inter-ministerial coordination? statistics & evaluations	inter-ministerial coordination statistics & evaluations reforming public employ. service programme frameworks/wording

The second of the research questions concerns the factors decisive for the impact of the EES. The study of the four member states points to several factors of importance. *Pre-existing compliance between the EES and national employment policy, national consensus on the main lines of the employment policy, Euroscepticism, employment figures* as well as *economic and political dependence on the EU* are factors that help explain that the impact of the EES varies between member states.

The fact that EES in general has not had any great impact in countries where the employment policy *also before 1997 was in compliance* with the later EES is in line with the 'compliance hypothesis'. It is not really surprising that member states of this type - here represented primarily by Denmark, but to some extent also by the UK - have been more difficult to influence. Also the consensus hypothesis, suggesting a connection between the *level of agreement on the main lines of the employment policy and the impact from the EES* has

been partly supported. In Denmark, where consensus on the main lines of the employment policy was obtained at least in the 1990s, this left no incentive for the main actors - the governments, the opposition parties and the social partners - to strategically use the EES in national-level political and media debates. In Spain, on the other hand, where no such consensus exists, the EES has been a central issue in the employment policy debates, especially during the early years of the strategy. *Euro-scepticism* also represents a barrier to EES impact, because references to the EES under such circumstances risk damaging the political argument more than supporting it. Denmark and the UK represent countries with strong Euro-scepticism that has had this effect on the EES impact.

All member states are to some extent politically and economically dependent on the EU, but some are much more so than others – or, rather, they are in a position where this dependence impacts on their room for manoeuvre. Strong *economic dependence* is seen both in Spain and Poland. Their dependence on the European Social Fund (ESF) as a major financial source for their employment policy is a case in point. Since the EES and ESF is partly coordinated and administered by the same General Directorate (DG Employment and Social Affairs), the potential risk that a lack of fulfilment of EES recommendations might negatively influence the allocation of funds is part of the reason why more impact is found in these countries than in the two Northern European ones. And this is so even though such a connection between the EES and ESF is not among the official EU coordination mechanisms. Poland is - or was - furthermore a case of strong *political dependence* on the EU vis-à-vis its yearlong status as a candidate country. This dependence facilitated the impact of EES in the JAP process 1999-2003, during which the Commission and the Polish government discussed how the country could improve its employment policy as part of the preparation for receiving financial support from the ESF and participate fully in EES.

It was also analysed to what extent the *goals and ideologies of the governments* played a role for the impact of the EES. It was not possible to find such a connection, in that none of the goals or ideologies of the governments in the four member states could be said to be in direct conflict with the EES or, for that matter, be especially open towards the EES. This is not to say that government changes are without relevance for the EES. The change of government in the UK in 1997 has played a role for the openness towards the EES and the social dimension of EU as such - the same may also prove to be an effect of the change in government in Spain in 2004. However, the general level at which both the employment guidelines - and to some extent also the recommendations - operate leaves room for both socialist, social-democratic, liberal as well as conservative government policy - even though the EES could be said to have had a social-democratic bias from the outset. What in some countries might play a role are the labour market and welfare state traditions. The missing or slow development in relation to social partnerships and social

services such as childcare facilities in the UK and Spain might be influenced more by these traditions than by government changes.

6.2 Implications for research

The findings from this working paper add to the discussions within the academic literature on multi-level governance and the debate on the OMCs:

As has become common in recent years, this project builds on an understanding of the EES as a system of multi-level governance. The findings do confirm that powers are spread out on several actors at several levels. It is also true that the boundaries between the national and the supranational level to a large extent have been blurred within this system.

However, another - implicit or explicit - key assumption in the multi-level governance literature is the lack of a clear centre. That assumption is to some extent challenged by the nature of the EES, as it has been described in this and other studies, because it is fair to say that the EES is dominated by the national level (in terms of levels of regulation) and by governments (in terms of types of actors). Despite the fact that the EES has had some impact in some of the countries, the national governments remain in charge of the employment policy. The EU recommendations - perceived as one of the strongest direct steering mechanisms - are non-binding and subject to negotiations with the national governments, and often build on existing initiatives within the member state concerned. The Employment Guidelines are also non-binding and were substantially watered down when the revision in 2002 was negotiated with the member states (Watt 2004). Furthermore, the most important development within the strategy in recent years - the first Kok report - was an initiative taken by (some) member states, and initially opposed by the Commission (Mailand 2005).

In relation to the question as to which level is the most important, it could be argued that the way the EES operates actually questions how adequate it is to talk about 'implementation of the EES in the member states' (as is commonly done in EU-lingo as well as in the present and other academic studies). It is questionable because in this system bottom-up processes (from national level to supranational level) are more important than top-down processes. The EES is more about coordination than implementation.

In relation to the question as to which actors dominate, the study shows that in most countries the social partners, NGOs and local/regional authorities continue to play a limited role in the NAP process. With a few exceptions, this picture of national-government control of employment policy is also valid when the focus is shifted from the NAP process to employment policy as such⁹. If the

⁹ However, parts of employment policy - in the broad EU understanding of the term - is not covered by direct government control. Regulation of pay, working and employment conditions are in most countries, especially in Denmark and the UK, primarily subject to collective bargaining or individual contracts, and are therefore beyond direct government control.

national control of employment policy is threatened by anything, it is so far not by supranational or national organisations, but by other factors, contextual as well as endogenous to the policy. These include economic globalisation (pressure on employment and wages through increased competition and restructuring of manufacturing and private services), the demographic development (ageing populations and pressure on welfare state expenses), and the increased use of for-profit actors in the delivery of the employment policy.

It is important to emphasise that when arguing that the impact of the EES in general is weak and that the concentration of decision-making power at national-government level questions the system as a multi-level regulated system, it is not the same as saying that the EES has no value at all. As has been shown in this working paper, the EES has had some impact on policy content and policy processes in at least some countries. This has been found to be the case even though *this study primarily focuses on the impacts through the mechanisms of peer pressure and strategic use of the strategy*. The analysis does not systematically include the effects of learning from other countries through the EES, or the impact from discourses and socialisation. Even though the impact through these mechanisms will not be systematically analysed in the main report of the present project, the report will contain a discussion of studies that have focused on the impacts from these mechanisms.

6.3 Perspectives for the future of the EES under the revised Lisbon strategy

The revised EES was planned to run for three years (2003-2006), with stable Employment Guidelines for the whole period and NAPs for employment that should focus on strategies the first year, implementation the second year, and evaluation the third year.

However, shortly after the new guidelines were agreed upon, new initiatives with consequences for the future of EES were taken. In 2003, the European Employment Task Force was set up on a joint British-German initiative and became chaired by the former Dutch Prime Minister, Wim Kok. The aim of the task force was to speed up employment reforms and the implementation of the strategy in member states. Despite initial Commission resistance and fear of a neo-liberal bias, the first so-called Kok report and its four 'commandments' - to increase adaptability of workers and enterprises, attract more people to the labour market, invest more and more effectively in human capital, and ensure effective implementation of reforms through better governance - were widely praised, and also supported by the Commission. These conclusions were not fundamentally different from what could be found in the EES, but they – and the whole report – were commonly believed to be simpler and clearer than the texts normally produced within the EES (see also Mailand 2005).

The four commandments have now been incorporated in the EES. But the greatest effect of the first Kok report has probably been, firstly, to move

attention away from the EES to the report and the Task Force itself, and secondly, to establish a platform for the revision of the whole Lisbon Strategy, which was further developed in the second Kok report published in autumn 2004.

The revision of the *Lisbon Strategy* has had consequences for the EES, because the EES has been part of it since 2000. The Lisbon Strategy, launched at the Lisbon summit in 2000, has as its aim to make Europe ‘the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’ before 2010. Progress towards this goal has been slow in many areas, as concluded *inter alia* in the second Kok report. This report has been part of the mid-term review, preparing the revision of the Lisbon strategy agreed at the Spring European Council 2005. Because of this revision, the planned third-year circle of the EES will not be finalised.

Details of the future – more Lisbon-coordinated – employment strategy remain unclear at the time of writing (mid-April 2005). A number of important changes are nevertheless already clear from the conclusions of the Spring Council, building in part on the second Kok report and the so-called Barroso plan - the Commission’s communication to the Spring Council:

Firstly, there will be a *new three-year cycle* starting in 2005. The starting point of this cycle will be an EU level ‘strategic report’ containing ‘integrated guidelines’ in the form of the Broad Economic Policy Guidelines (BEPGs), employment guidelines and the environmental guidelines. Secondly, *EU level policy integration will be intensified at the EU level*. The revision in 2003 brought the employment and economy guidelines on the same timescale, but now integration is taken further and it is clear that the employment guidelines in the future will be subordinated to the economy guidelines. As stated in the conclusion from the Spring Council: ‘...the BEPGs should continue to embrace the whole range of macroeconomic and microeconomic policies, as well as employment policies in so far this interacts with those policies; the BEPGs will ensure general economic consistency between the three strands of the strategy’ (Council of the European Union 2005: 12). Thirdly, *national level policy integration will be intensified*. Each member state will produce a ‘national reform programme’ on the basis of the integrated guidelines, which should be consulted with all national and regional stakeholders as well as the relevant parliamentary bodies. Further, the member states should appoint a national Lisbon coordinator – in the Barroso plan called ‘a Mr. or Ms. Lisbon’.

Will these changes lead to a more integrated and simpler Lisbon Strategy, with greater ownership from the member states – will the changes improve the implementation of the employment strategy in the member states? And will the employment guidelines lose some of their ‘independence’ as part of the being more integrated with, and subordinated to, the Broad Economic guidelines? This is too early to say, but these questions will, among others, be discussed in

the final report of this research project, which will include findings from the employment part of the first year of the revised Lisbon Strategy.

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Annex A: List of interviewees

Denmark *	
Peter Nedergaard	International Centre, Ministry of Employment
Flemming Kühn Petersen	International Centre, Ministry of Employment
Morten Binder & Stig Martin Nørgaard	Ministry of Finance
Jørgen Bang Petersen	Confederation of Danish Employers
Ib Malthelsen	Danish Trade Unions Confederation
Helle Thorning-Schmidt	ex-Member European Parliament (Danish Social Democrats)
The United Kingdom	
Stephen Clode	Department for Work and Pensions
Tim Dadswell	European Strategy Team, Department for Trade and Industry
Tim Page	Eco. and Social Policy Department, Trade Unions Congress
Neil Carberry **	Employment and Reward, Confederation of British Industry
Steven Hughes	Member of European Parliament (British New Labour)
Spain	
Carlos de la Serna Arinilas	Ministry of Employment and Social Affairs
Delmira Seara Soto	ex-Ministry of Employment and Social Affairs
Juan Menéndez-Valdés & Gabriela Uiate Taberna	Social Affairs, CEOE
Mari Luz Cid	UGT
Hortensia García	CCOO
Aljandro Cercas Alonso	Member of European Parliament (Spanish Socialists)
Poland	
Krzysztof Kaczmarek	Labour Market Department, Ministry of Economy and Labour
Julian Zawistorwski	Labour Market Department, Ministry of Economy and Labour
Jerzy Ciechanski	Dep. of Eco. Analysis and Prognosis, Min. of Econ. and Labour
Andrzej Jankowski & Monika Ulatowska	Confederation of Polish Employers
Josef Mozolewski	Solidarnosc
Ewa Giermanowska	Institute of Applied Social Sciences Warsaw University
EU-level	
Robert Strauss	A/2, Employment and Social Affairs DG
Päivi Kairemo-Hella	EMCO Support Team, A/2, Employment and Social Affairs DG
Lorena Ionita	Social Affairs, UNICE
Veleria Ronzetti	Social Affairs, CEEP
Peter Coldrick	ex-European Trade Union Congress
Ronald Janssen & Andrew Watt	European Trade Union Congress European Trade Union Institute
Others	
Béla Galgozci	European Trade Union Institute
Bernhard Casey	Cass Business School & London School of Economics

* = additional telephone interviews with Vibeke Kold (ex-ministry of Employment) and Ruth Emereck (Aalborg University) on the gender dimension of the Danish NAPs and recommendations. ** = written questions and answers and follow-up over telephone.

Annex B: Danish summary

Implementering af den reviderede europæiske beskæftigelsesstrategi – Nord, Syd, Øst og Vest

Den europæiske beskæftigelsesstrategi - EU's forsøg på at koordinere medlemsstaternes beskæftigelsespolitik igangsat i 1997 - har *kun i begrænset omfang påvirket indholdet og styringen af medlemslandenes beskæftigelsespolitik; men påvirkning varierer medlemsstaterne imellem.* Spanien og især Polen er eksempler på lande, der i nogen grad er blevet påvirket af strategien, mens Danmark og Storbritannien repræsenterer lande, der stort set ikke er blevet påvirket. Revisionen af strategien i 2003 har ikke forandret billedet af en general svag, men varierende, indflydelse på medlemsstaternes politik.

At den europæiske beskæftigelsesstrategi regulerer via den 'åbne koordinationsmetode', der ikke er juridisk bindende for medlemslandene, er sandsynligvis en del af forklaringen på den generelt svage gennemslagskraft. Men også en række forhold i medlemsstaterne kan være med til at forklare den generelt svage, men ujævne indflydelse. Medlemslande, der allerede *før 1997 har haft en beskæftigelsespolitik, der fulgte retningslinierne* fra den europæiske strategi, har været sværere at påvirke - og påvirkningen har fra et EU-perspektiv naturligvis også været mindre nødvendig i disse tilfælde. Også medlemsstater, hvor der har været udbredt *konsensus* blandt de vigtigste aktører - regeringer, embedsmænd, opposition og arbejdsmarkedets parter - om beskæftigelsespolitikens hovedlinier, har været vanskelige at påvirke, fordi ingen af aktørerne har haft incitamenter til bruge den europæiske strategi i den hjemlige debat. *EU-skepsis* har ligeledes været med til at mindske påvirkningen fra strategien i de lande, hvor skepsisen er udbredt, fordi referencer til europæisk regulering i disse lande risikerer at skade argumentationen snarere end at styrke den, ligesom *gunstig beskæftigelsesudvikling* i et medlemsland modvirker indflydelsen.

Omvendt har beskæftigelsesstrategien en større chance for at påvirke lande, der *politisk eller økonomisk er særligt afhængige af EU.* Det gælder fx medlemsstater, der er hovedmodtagere af midler fra Den Europæiske Socialfond. Da socialfonden og den europæiske beskæftigelsesstrategi til en vis grad er koordinerede og administreres af det samme generaldirektorat, udgør økonomisk afhængighed af fonden et incitament til at leve op til beskæftigelsesstrategiens retningslinier. Et særligt afhængighedsforhold gælder også for ansøgerlandene, der i kommunikationen med EU-kommissionen op til forhandlingerne har et meget stærkere incitament til at følge beskæftigelsesstrategiens retningslinier end eksisterende medlemsstater, fordi en potentiel sanktion overfor ansøgerlandene er blokering eller forsinkelse af optagelse.

Regeringernes ideologi ser derimod ikke ud til at have den store betydning for beskæftigelsesstrategiens indflydelse, hvilket blandt andet kan hænge sammen med, at beskæftigelsesstrategiens og dens retningslinier er meget rummelige og kan spænde over politikker baseret på meget forskellige ideologier.

Disse resultater er fremkommet igennem analyser af dels 33 *interview* med embedsmænd, politikere, repræsentanter fra arbejdsmarkedets parter og forskere fra Danmark, Storbritannien, Spanien og Polen samt EU-niveaue, dels *tekster* i form af forskningsprojekter og -artikler, evalueringer og skriftlig kommunikation mellem EU-institutionerne og medlemslandene (nationale handlingsplaner for beskæftigelse (NAPer), EU's retningslinier for medlemsstaternes beskæftigelsespolitik, EU's henstillinger om implementering af medlemsstaternes beskæftigelsespolitik, etc.).

Den europæiske beskæftigelsesstrategi har i sin nuværende reviderede udformning tre overordnede mål, nemlig fuld beskæftigelse, øget kvalitet og produktivitet i arbejdet, samt styrket social sammenhængskraft og inklusion. Disse tre mål skal opnås igennem nationale indsatser relateret til ti retningslinier vedrørende: 1) aktive og forebyggende tiltag rettet imod ledige og økonomisk inaktive; 2) jobskabelse og iværksættelse; 3) forandringsparathed og mobilitet på arbejdsmarkedet; 4) udvikling af human kapital og livslang læring; 5) arbejdsudbud og tilbagevinding fra arbejdsmarkedet; 6) kønsmæssig ligestilling; 7) integration og diskrimination på arbejdsmarkedet; 8) økonomiske incitamenter til at påtage sig lønnet arbejde; 9) transformation af sort arbejde til registreret arbejde; 10) regional ulighed.

Der er mindst fire måder, hvorpå strategien og dens retningslinier kan have indflydelse på medlemsstaternes beskæftigelsespolitik. Det kan for det første ske igennem pres (*peer pressure*) fra Kommissionen og Rådet, der blandt andet virker igennem medlemslandenes møder på EU-niveaue og igennem de henstillinger, der siden 2000 er blevet udstukket vedrørende medlemslandenes beskæftigelsespolitik. For det andet kan påvirkningen foregå igennem *socialisation og diskursiv diffusion*, hvor der udvikles fælles sprog og idéer igennem embedsmændenes og andres aktørers gentagne møder på EU-niveaue. For det tredje kan indflydelsen ske igennem *gensidig læring*, hvor medlemslandene indoptager elementer fra politikker i andre medlemsstaterne, der har haft succes med bestemte tiltag. Endelig kan indflydelsen foregå ved, at de nationale aktører *anvender beskæftigelsesstrategien strategisk* til at legitimere deres synspunkter og handlinger ved referencer til strategien. Det gælder både statslige repræsentanter såvel som arbejdsmarkedets parter og andre aktører.

De fire mekanismer er delvis overlappende, men dette projekt lægger - indenfor en grundforståelse af beskæftigelsesstrategien som en form for multiniveauregulering - vægt på mekanismerne pres og strategisk anvendelse,

der bygger på en opfattelse af aktørerne som værende rationelle og egennyttmaksimerende.

I *Danmark* er der meget få eksempler på, at strategien har spillet en rolle for beskæftigelsespolitikken, mens Danmark omvendt har spillet en rolle for udviklingen af strategien og ofte er blevet fremhævet som et eksempel til efterfølgelse. Eneste klare eksempel på, at beskæftigelsesstrategien har påvirket dansk beskæftigelsespolitik findes paradoksalt nok indenfor et af de områder, der har gjort Danmark til et 'best practice land', nemlig den aktive arbejdsmarkedspolitik. Fremrykningen af aktiveringen til efter maksimum 12 måneders ledighed skete blandt andet efter påvirkning fra strategien og blev faciliteret af den daværende statsministers opmærksomhed omkring Danmarks manglende opfyldelse af strategiens kvantitative mål for den aktive arbejdsmarkedspolitik. Danmark har dog aldrig modtaget en henstilling fra EU vedrørende aktiveringspolitikken, som det er sket inden for andre områder som skattepolitikken, det kønsopdelte arbejdsmarked, tilbagetrækning fra arbejdsmarkedet og i de senere år også integration af flygtninge/indvandrere og efteruddannelse. Der er taget en række initiativer inden for disse øvrige områder, men det er vanskeligt her at se en påvirkning fra beskæftigelsesstrategien. Adskillige – heriblandt vellykkede – forsøg på at fjerne eller omformulere henstillinger foreslået af Kommissionen vidner om, at strategien trods sin manglende gennemslagskraft tages alvorligt.

At den europæiske beskæftigelsesstrategi har haft så ringe indflydelse i Danmark, må først og fremmest forklares med, at Danmark i det store og hele levede op til beskæftigelsesstrategien allerede fra strategiens iværksættelse. Det har også spillet en rolle, at der, særligt i 1990'erne, var en ret bred konsensus om hovedtrækkene i den førte politik og også en konsensus om, at den danske beskæftigelsespolitik var bedre end de øvrige EU-landes og bedre end beskæftigelsesstrategien (i det omfang strategien overhovedet var kendt). Yderligere betød den udbredte EU-skepsis, at det har været vanskeligt at anvende 'Bruxelles-argumenter' til at legitimere standpunkter med, selv når det har passet ind i nogle af hovedaktørernes strategier.

Den europæiske beskæftigelsesstrategi har ikke påvirket beskæftigelsespolitikken i *Storbritannien* mere end i Danmark. Det er ikke muligt at fremkomme med bare ét enkelt klart eksempel på påvirkning. Men nogle af informanterne fremhæver en række forhold, hvor beskæftigelsesstrategien om ikke ligefrem har bragt et spørgsmål på dagsordenen, så har været medvirkende til at spørgsmålet *blev* på dagsordenen – aktiv arbejdsmarkedspolitik, børnepasningsmuligheder og ligeløn nævnes i denne forbindelse. Den manglende betydning af strategien bekræftes af den omtale af strategien i medierne, der er (endnu mere) begrænset end i hovedparten af de øvrige medlemslande.

EU's henstillinger til briterne handler om ligeløn, overvågning af arbejdsmarkedet, aktiv arbejdsmarkedspolitik, arbejdsorganisering, kvalifikationsudvikling, lønudvikling og børnepasningsmuligheder. Briterne har i modsætning til danskerne ud over disse henstillinger vedrørende politikken indhold også modtaget en henstilling relateret til de politiske processer. Det har nærmere bestemt drejet sig om en opfordring til i højere grad at indgå partnerskaber med arbejdsmarkedets parter. Denne henstilling er blevet anset som den mest kontroversielle og har ført til adskillige forsøg på at overbevise Kommissionen om, at henstillingen var ubegrundet. Det lykkedes tilsyneladende i 2004, da henstillingen ikke blev gentaget. Enkelte informanter ser en påvirkning fra henstillingen, men generelt afvises det, at den har haft en betydning.

At beskæftigelsesstrategien også har haft ringe indflydelse i Storbritannien, skyldes delvis de samme forhold, som har forhindret indflydelsen i Danmark. Den britiske beskæftigelsespolitik var efter regeringsskiftet i 1997 på mange områder i overensstemmelse med beskæftigelsesstrategien, men overensstemmelsen var dog ikke mere omfattende, end at der har været et vist potentiale for påvirkning. Selvom der fra midten af 1990'erne har udviklet sig en større grad af enighed om hovedlinierne i beskæftigelsespolitikken, har denne enighed sandsynligvis ikke været væsentlig for graden af strategiens påvirkning. Snarere har den udbredte EU-skepsis sammen med den positive udvikling i vækst og beskæftigelse været med til at minimere indflydelsen.

I *Spanien* er der flere eksempler på, at den europæiske beskæftigelsesstrategi har påvirket beskæftigelsespolitikken. Et eksempel er den tidlige aktivering, dvs. det forhold, at man ikke koncentrerer aktiveringen om de ledige med længst 'arbejdsløsheds-anciennitet', men aktiverer efter en relativt kort ledighedsperiode. Den offentlige arbejdsformidlings begrænsede kapacitet og de fortsat høje arbejdsløshedsprocenter i Spanien betyder dog, at selvom denne form for aktivering har vundet indpas i lovgivningen, halter implementering meget efter. Påvirkning findes også i forhold til kønsmæssig ligestilling, hvor særligt udvidelsen af forhandlingsemnerne til også at inkludere kønsmæssige ligestilling sættes i forbindelse med beskæftigelsesstrategien. Andre mindre tydelige eksempler på påvirkning er den interministerielle koordination, der af nogle informanter og andre observatører sættes i forbindelse med beskæftigelsesstrategien, ligesom den nu mere omfattende brug af statistik og evalueringer gør det.

Flere, men ikke alle, disse eksempler på påvirkning findes indenfor områder, hvor Spanien har modtaget henstillinger fra Kommissionen. Henstillingerne dækker områder som aktiv arbejdsmarkedspolitik (bl.a. omfattende modernisering af den offentlige arbejdsformidling), kønsmæssig ligestilling, uddannelse og livslang læring, mobilitet, samt modernisering af arbejdsorganiseringen (bl.a. opfordring til øget brug af deltidskontrakter,

begrænsning af midlertidige kontrakter og bedre balancer mellem sikkerhed og fleksibilitet).

Billedet af en påvirkning fra den europæiske strategi, der er moderat men dog stærkere end i Danmark og Storbritannien, passer med det forhold, at Spaniens beskæftigelsespolitik i udgangspunktet på en lang række områder ikke stemte overens med beskæftigelsesstrategien. Manglende konsensus om hovedlinierne i beskæftigelsespolitikken har endvidere givet mulighed for strategisk anvendelse af strategien i medierne og i den politiske debat. En sådan strategisk anvendelse har rent faktisk også fundet sted, særligt i strategiens første år. At EU-skepsis ikke er et udbredt fænomen i Spanien, passer også med en større påvirkning fra strategien. Spanien har heller ikke, på trods af imponerende jobskabelse i anden halvdel af 1990'erne, i samme grad som Storbritannien og Danmark mulighed for at 'gemme sig bag' høje beskæftigelsesfrekvenser og lav arbejdsløshed.

Polen blev som bekendt først medlem af EU i 2004 og har naturligvis haft en noget anden beskæftigelsespolitisk historie end de øvrige tre lande. Begrebet 'arbejdsløshed' blev først officielt introduceret i 1990; de første skridt i retning af udvikling af en beskæftigelsespolitik blev taget umiddelbart efter. Kommissionen indledte i 1999 drøftelser med de enkelte ansøgerlandes regeringer om, hvilke skridt regeringerne skulle tage som forberedelse til fuld deltagelse i beskæftigelsesstrategien. Denne såkaldte 'JAP-proces' løb frem til 2003, og har givet Kommissionen mulighed for direkte at påvirke den polske beskæftigelsespolitik. Påvirkningen ses på skattepolitikken, hvor forsøgene på at reducere 'skatteklempen' (forskellen mellem de ansattes nettoindkomst, og hvad det koster for arbejdsgiverne at ansætte dem) stammer fra Kommissionens kommunikation med den polske regering og dens embedsmænd. Også finansieringen af pensionerne er som følge af pres fra Kommissionen forandret, så staten nu finansierer en mindre andel end tidligere. Også den fortløbende restrukturering af den offentlige arbejdsformidling kan sættes i forbindelse med JAP-processen. Enkelte informanter peger også på kønsmæssig ligestilling som et område, der er blevet påvirket af beskæftigelsesstrategien, men det er ikke den generelle opfattelse. Til gengæld er det en udbredt opfattelse, at den interministerielle koordination er væsentligt øget som følge af 'opvarmningen' til deltagelse i beskæftigelsesstrategien, ligesom brugen af statistik og evalueringer er det. Endelig følger planer og lovgivning med relation til beskæftigelsespolitikken i Polen i meget højere grad strukturen og ordlyden fra den europæiske beskæftigelsesstrategi, end tilfældet er i de øvrige tre lande. Polen har også siden 2003 modtaget formelle henstillinger. Det har udover skatteklempen drejet sig om kontanthjælpsreformer, uddannelse og livslang læring, den offentlige arbejdsformidling, virksomhedernes og de ansattes tilpasningsevne (herunder støtte til iværksættere, reduktion af lønomkostninger for kortuddannede og unge, og øget involvering af arbejdsmarkedets parter) samt øget erhvervsdeltagelse (bl.a. ved at øge mulighederne for deltidsarbejde).

At strategien i Polen således ser ud til at have haft nogen indflydelse på udviklingen af beskæftigelsespolitikken, kan forklares med reference til de samme parametre, der har spillet ind i de øvrige lande. Polens beskæftigelsespolitik må i udgangspunktet siges ikke at have været i overensstemmelse med beskæftigelsesstrategien, hvilket giver mulighed for påvirkning. Det samme kan siges om den manglende enighed om hovedlinierne i politikken mellem hovedaktørerne – den potentielle påvirkning, dette åbner mulighed for, begrænses dog af, at strategien ikke har været et vigtigt tema i Polen, hverken i medierne eller politiske debatter, og af den udbredte EU-skepsis. Hvad der kan have haft større betydning er, at Polen har været, og stadig er, særdeles afhængig af EU. Det manglende medlemskab indtil 2004, og det forhold, at socialfonden kommer til at blive en hovedfinansieringskilde til den polske beskæftigelsespolitik, har været et stærkt incitament til at følge Kommissionens retningslinier.

Perspektiverne for at koordinere medlemsstaternes beskæftigelsespolitik igennem den europæiske beskæftigelsesstrategi synes på baggrund af de fire landestudier ikke at være særligt lyse. Revisionens forsøg på at øge strategiens gennemslagskraft igennem simplificering, opfordring til øget inddragelse af parlamenter, arbejdsmarkedets parter og andre aktører, samt fastholdelsen af retningslinierne over en flerårig periode, er tilsynslande ikke lykkedes. Beskæftigelsesstrategien er som andre systemer præget af multiniveauregulering, hvor styringskompetencen er spredt ud på flere niveauer; men spørgsmålet er, om ikke det nationale niveau kan siges at udgøre et entydigt center i dette system. Det er tilsyneladende fortsat på dette niveau, den væsentligste kompetence er koncentreret, og forhold på dette niveau, der er afgørende for, om strategien vinder indpas eller ej.

Som en del af midtvejsevaluering og revision af Lissabon-strategien vil beskæftigelsesstrategien nu i meget højere grad blive integreret med de øvrige politikker og målsætninger under Lissabon-strategien. Det er et åbent spørgsmål, om beskæftigelsesstrategien i fremtiden, som en meget integreret del af en revideret Lissabon-proces, i højere grad vil kunne påvirke medlemsstaternes beskæftigelsespolitik. Det vil være et tema i dette projekts slutrapport.