**Governing EU employment policy:**

**Does collaborative governance scale up?**

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**Abstract**

Since employment policy is a prerogative of the member states, the European Union’s (EU) ability to govern in this area depends on its capability to involve national governments and relevant stakeholders in a collaborative effort to formulate and implement shared policy objectives. Drawing an analytical distinction between cooperation, coordination and collaboration, the article analyses the processes through which EU’s employment policies are formulated and implemented. It concludes that although the formulation of policy objectives and the discussion of national policy approaches do involve elements of collaboration (the more demanding concept of interactive policy processes), the implementation phase mainly takes the form of cooperation and coordination (each less demanding concepts). Despite signs of increasingly common understandings of employment policies and a sense of shared purpose, the commitment to actual policy reforms and to collaboration in the more demanding sense of the word is limited by member states’ concerns about the reaction of national constituencies and by an inadequately developed mode of metagovernance.

**1. Introduction**

What role does collaborative governance play in transnational governance processes? With few exceptions (Bohman, 2005; Slaughter, 2002; de la Porte and Natali, 2009) the bulk of collaborative governance literature focuses on local governance (Gray, 1989; Hirst, 1994; Fung and Wright, 2003; Ansell and Gash, 2008). However, an increasing amount of research on multi-level governance in the European Union (EU) suggests that collaborative governance takes place at all levels of governance in the EU as well as between the levels (Bache and Flinders, 2004; Benz and Papadopoulos, 2006). Despite some variation between policy areas, a wide range of public and private stakeholders interact in governance processes that lead to the formulation and implementation of EU policies both at the EU level and between the EU and the member states (Münch, 2010, 3).

The interactive character of the policy process is illustrated by the many policy arenas in which the EU Commission, other EU institutions, member state representatives and stakeholder organisations meet. A prominent example is the extensive web of policy committees and the procedures associated with the ‘Open Method of Coordination’ (OMC) (Ansell, 2000; Pollack, 2003; Esmark, 2011) that play a key role in EU employment policy as well as in other policy areas where the EU does not have authoritative powers. Although the interactive character of the policy processes of these policy areas is well documented, we know little about the collaborative quality of these interactions.

This article aims to assess the collaborative quality of the interactive policy processes in the area of EU employment policy. Employment policy is particularly relevant in this context because the policy ambitions are high and because specific institutional arrangements have been put in place to promote interactive governance. Rising levels of unemployment in many parts of the EU in the wake of the financial crisis in 2008 have pushed employment further towards the top of the policy agenda in the EU, and lacking formal powers, the EU seeks to govern by means of interactive forms of governance e.g. the OMC that accommodate interaction between the EU, member state representatives and the social partners (Lange and Alexiadou 2011, Borrás and Ejrnæs 2011; de la Porte and Pochet 2012). In sum, the perceived importance of the policy area and the reliance on and deliberate efforts to promote interactive governance make it a relevant case for studying the potentials of collaborative governance at the transnational level.

To clarify the extent to which collaborative governance scales up to the EU, we first have to develop an analytical framework for studying interactive governance. This framework is then applied in an analysis of the collaborative quality of the processes that lead to the formulation and implementation of EU’s joint employment policy strategy supporting the 2020 ambition of smart, sustainable and inclusive growth. We will focus on two sites of interactions: horizontal interactions between actors at the EU level and vertical interactions between the EU Commission and the member states. As the article is interested in the extent to which interactive processes scale up, we focus only on interactive processes at the international and the transnational levels, not at the domestic level.[[1]](#endnote-1) The article concludes with a discussion of the new insights about the conditions and prospects for collaborative governance to scale up.

**2. Collaborative governance: qualities and preconditions**

Over the last 30 years, there has been a heated debate among governance researchers on the concept of *collaborative governance*. Key questions have been what collaboration really is, under what conditions it is likely to occur and how collaboration can influence the governance of society. In her seminal book *Collaborating* (1989), Barbara Gray helped clarify the first question by arguing that collaboration is not a matter of reaching consensus, but rather constructive management of differences in ways that make shared action possible. In other words, the crux of collaboration is the ability to act together in the pursuit of goals that are defined through collaboration. Collaboration involves not only deliberation but also hard negotiation and bargaining among actors with different and more or less conflicting interests. Collaboration is a result of the strategic willingness of the involved actors to find the common ground needed to achieve what they cannot achieve individually. In governance, collaboration is valuable to the extent that it contributes to creating a shared understanding, ownership and commitment among the relevant and affected public and private actors who are involved in formulating and implementing governance objectives.

The definition of collaborative governance as the constructive management of differences in an attempt to promote shared governance objectives suggests that *not all forms of interactive governance are collaborative*. While some forms of interaction imply a strong commitment to shared governance goals, other forms imply lower levels of shared purpose and commitment (Kooiman, 1993; Klijn and Koppenjan, 2004, Dente, Bobbio and Spada, 2005). Governance researchers have made several efforts to formulate a typology of interactive forms of governance that takes differing levels of shared commitment and integration between the involved actors into account. David Marsh and Rod Rhodes (1992) have developed a typology of different forms of collaboration, and Fritz Scharpf (1996) draws a distinction between negative coordination, defined as mutual adjustments within a group of autonomous actors, and positive coordination, i.e., formulation and implementation of negotiated governance objectives. As Robyn Keast, Kerry Brown and Myrna Mandell (2007) point out, however, it is valuable to place interactive forms of governance on a continuum. Based on their terminology, we propose a continuum of interactive forms of governance running from cooperation over coordination to collaboration, progressively adding to the demands of the concepts. *Cooperation* points to less demanding interactions that involve exchange of ideas, knowledge and know-how; *coordination* is more demanding and consists of mutual adjustments to reduce unintended consequences and create synergies; while *collaboration* involves long-term and institutionalized forms of interactions in which actors are committed to negotiate diverging interests and develop shared governance goals, implement such goals in practice, and possibly share resources to meet these goals. Collaboration is thus the most demanding form of interaction.

This analytical distinction reveals that collaborative governance is just one form of interactive governance. The question is thus whether the interactive forms of governance related to EU employment policy count as collaboration. For interactions to count as collaboration they must involve deliberation, negotiation or bargaining in the pursuit of shared objectives. We categorize them as cooperation if they mainly involve the exchange of ideas and knowledge, and define them as coordination if they mainly involve accommodation of mutual adjustments. Although cooperation and coordination are valuable contributions to governance, only collaboration leads the actors to join forces.

Collaboration is the most demanding of the three forms of interaction, particularly since efforts to join forces among autonomous actors are constantly in danger of being undermined by centrifugal forces. Collaboration is conditioned by two factors. First, existing literature agrees that *interdependence* between involved actors is conducive to collaboration (Kooiman, 1993; Kickert, Klijn and Koppenjan, 1997; Sørensen and Torfing, 2007). When engaged in cooperation and coordination, the actors can continue to pursue their own goals and interests, but moving into collaboration the actors must refrain from pursuing all their aspirations, and even sometimes give up something to gain something else. In the end, the likeliness of such a move depends on the outcome of the individual actors’ assessments of what they may gain from joining forces with other actors as opposed to losses and potential gains if they pursue their interest by non-collaborative means. It should be noted that asymmetries in power are not a hindrance to collaboration. If the parties share a sense of interdependency collaboration is possible. Just to illustrate: If one of the strong economies in Europe aims to improve its employment rate one way of doing this is to engage in a collaborative endeavor to create stronger markets and more prosperous consumers in some of the weaker economies in Europe.

Second, recent studies indicate *that leadership and management* of collaborative governance is important for its success or failure. A substantial literature on collaborative leadership and management argues that the success or failure of collaboration processes depends on how these processes are organized and conducted (Agranoff and McGuire, 2003; Ansell and Gash, 2008). Governance research follows suit by introducing the term metagovernance defined as tools of governance designed to govern more or less autonomous actors (Kooiman, 1993, 2003; Jessop, 1998, 2002). These tools can be divided into hands-off and hands-on metagovernance (Sørensen and Torfing, 2009). Hands-off metagovernance is exercised through storytelling, political framing, incentives steering and institutional design, while hands-on metagovernance takes the form of process facilitation and participation in interactive governance processes.

From a metagovernance perspective, the degree to which interactive governance leads to cooperation, coordination or collaboration depends on how it is metagoverned. The interrelatedness between forms of metagovernance and levels of interaction is described in table 1.

**Table 1: Metagovernance strategies**

|  |  |  |
| --- | --- | --- |
|  | ***Hands-off metagovernance*** | ***Hands-on metagovernance*** |
| **Cooperation** | Provision of opportunities for exchange of ideas, knowledge and know-how between relevant actors | Accommodation of communication that promotes the diffusion of ideas, knowledge and know-how |
| **Coordination** | Collection of relevant data and stage initiatives that encourage the actors to adjust their actions to those of others in order to avoid externalities and promote synergies | Supporting mutual adjustments by pointing out how, where and when the individual actors can benefit from taking the actions of others into account  |
| **Collaboration** | Storylines that promote strong feelings of interdependency and institutions that condition the formulation of shared objectives | Helping actors to overcome conflicts and stalemates that prevent collaboration  |

Table 1 stipulates that if metagovernance is designed to promote cooperation and coordination, interactions will rarely result in collaboration. If we assume that the EU Commission is the metagovernor of EU’s employment policy, an analysis of the collaborative quality of the interactive forms of governance in this policy area must include a study of how the EU Commission metagoverns the interactions. *We hypothesize* that collaboration is more likely if the EU Commission metagoverns the OMC in ways that create a sense of interdependency between member states and stakeholders, promote institutional conditions that encourage the formulation and implementation of shared objectives, and help the involved actors to overcome conflicts, stalemates and other barriers to collaboration. The stories told by the EU Commission promote collaboration to the extent that the stories define a problem that can only be solved through collaboration between the member states and the stakeholders. The political framing provided by the EU Commission promotes collaborative governance only if it includes shared political objectives that can only be met through collaboration. The extent to which the incentives built into the OMC promote collaboration depends on (1) whether or not the incentives reward actors who work together, and (2) whether or not the interactive governance arenas are designed to support collaborative endeavours. Third, collaboration is promoted if the EU Commission assists in overcoming conflicts and other barriers through direct, engaged facilitation of and participation in the interactive governance processes.

In the following, we first describe the institutional set-up and procedural characteristics of EU employment policies from 1998 to 2014 with focus on developments in the institutionalization and pursuit of vertical and horizontal forms of interactive governance. We conduct two separate analyses of interactions in the policy processes and the EU Commission’s efforts to metagovern them: one analysis centres on horizontal interactions and the other on vertical interactions. The analysis of horizontal interactions at the EU level focuses on the policy processes in and around the formulation of the employment guidelines in the EU Council and the Employment Committee (EMCO) and the EU Commission’s role in metagoverning these interactive processes. The analysis of the vertical interaction between the EU and the member states focuses on the dialogue between the EU Commission and the member states in connection with the yearly progress report, which before 2005 was a National Action Plan (NAP) and then became an integrated policy strategy, the so-called National Reform Program (NRP). This analysis includes studies of the interactions around the benchmarking and peer reviewing schemes that are a part of this process. Both analyses draw on EU policy documents from the period 2000 to 2014, the bulk of which are issued by the EU Commission and located through its publication database (European Commission 2015). These data are supplemented with interviews conducted between 2003 and 2007 with top civil servants in the departments of employment and social partners in Denmark, England and France, and with officials from EMCO, the EU Commission, and key European social partners (Borrás and Lynggaard 2011, pp. 329-330).

**3. Interactive governance in EU employment policy**

This section outlines the main elements and reforms of EU’s employment policy in order to identify the key arenas and procedures for promoting interactive governance. We argue that the OMC constitutes the key structure of interactive governance in EU employment policymaking and that it essentially contains two dimensions of interaction: a horizontal and a vertical.

As illustrated in figure 1, the EU’s employment policy is a relatively recent but rapidly developing phenomenon. It is only in the mid-1990s that steps are taken to partially encroach on national sovereignty in the area of employment. With the Amsterdam Treaty in 1998, the member states decided to launch a joint European Employment Strategy (EES). At the horizontal level, the EES entails political treaty negotiations, social dialogue (member states, labour unions, employers and various NGOs exchange new ideas on how to boost employment and to assist states in implementation), intergovernmental dialogue (focusing on the development of annual employment guidelines), and peer reviews (member states meet to discuss concrete elements of their national employment policies in order to disseminate best practice). At the vertical level, we find dialogues between the Commission and EMCO on the one hand, and the member states on the other that centre on formulating strategies and guidelines in the EES. Based on these guidelines, the member states must report on their policy performance and future actions through annual National Action Plans with obligatory involvement by social partners (since 2005 part of the National Reform Programme). These instruments and processes constitute the instrumental framework available to the EU Commission. Through forms of metagovernance influencing and guiding the self-governing member states operating within this framework, the EU Commission may pursue its employment policy ambitions.

The interactive processes revolving around the EES are at least partially influenced by the substantive employment goals and strategies favoured by dominant actors and discourses in the EU. Since the early 1990s, the employment strategy has focused on increasing and upgrading the supply of labour (Trubek and Mosher 2001, Jacobsson 2004a). More recently, this focus has been expanded under the heading of social investments to ease and facilitate individuals’ attachment to the labour market, e.g. via childcare facilities, job search assistance and education (European Commission 2013). The Growth and Stability Pact (introduced in 1997 and refined since then) and, more recently, the introduction of the ‘European Semester’, ‘Six pack’, the ‘Two pack’, and the ‘Fiscal Compact’ all aim at strengthening budgetary fiscal discipline and not at regulating the demand for labour (see de la Porte and Heins, 2015). As these instruments focus more on fiscal policy than on enhancing employment (or reducing unemployment), they are not analysed in this article.

***Figure 1 Timeline of main developments in European Union employment policy and its governing regime***

**Confidence Pact**

To fight unemployment. Proposed call for stronger member state coordination and social partner involvement watered down in final version. Social partners fail to issue joint statement in support of pact.

Stronger economic surveillance, coordination and enforcement instruments

**Com­mis­sion** em­braces ***flexi­curity***

**Nice Treaty**

Change of institutional structures. More economic instruments

**Lisbon Treaty**

Reform of institu­tional struc­tures

**‘Two Pack’**

**Fiscal Compact**

**Amsterdam Treaty**

Econ. instruments (SGP) enhanced.

Employment chapter; EES formalised

**European Semester**

**‘Six Pack’**

**Maastricht Treaty** EMU introduced

Attention to employment in text

**EU Social Dialogue**

Social partners to play role

 1985 1993 1994 1996 1997 1999 2000 2001 2003 2005 2007 2009 2010 2011 2012 2013

**Europe 2020** Smart, sustainable and inclusive growth: More economic surveillance & demands; no binding coordination on employment

**BEPG**

Broad Economic Policy Guidelines. EES part of macroeconomic policy coordination. Binding coordination/action regarding economic but not employment guidelines and indicators.

More actors involved but in more superficial ways

**White Paper**

*European Governance*

**Lisbon Strategy** for

Growth and Employment

**Youth Guarantee**

**Social investment and Package and Employment package**

**Euro Plus Pact**

**Stability and Growth Pact**. Focus: Economic surveillance and coordination

**Essen Process**

Forerunner of the EES.

Prescribes horizontal and vertical cooperation, general recommendations, monitoring of key indicators and compulsory annual national reporting

**White Paper** *Growth, Competition, Employment*

**Pre-1985**

Little attention to social issues since creation of the Standing Employment Committee in 1970.

Growing unease about social and employment issues being passed over.

In 2010, Europe 2020 replaced the unsuccessful Lisbon Strategy. While its goals are more modest than its predecessor’s, Europe 2020 contains stricter mechanisms of surveillance and coordination of member state policies in order to promote economic growth and employment, i.e. the European Semester. The National Reform Programmes, the national spin-off of the EES, are now integrated in an annual cycle of monitoring and reporting on national measures contributing to the realization of Europe 2020. Finally, the EU has introduced ad hoc measures to alleviate some of the social effects of the post-2008 crisis and boost employment. This includes the Euro-Plus Pact, the Social Investment Package, an Employment Package, and the Youth Guarantee. The Euro Plus Pact was established in 2011 to ensure that member states undertake reforms to secure fiscal balance and improve their competitiveness by way of regular and extensive monitoring and comparison of member state progress on key performance indicators (Gabrisch and Staehr 2014).

In brief, the majority of the policy measures adopted by the EU to address unemployment focus on macroeconomic stability rather than on employment per se, particularly following the 2008 financial crisis. Moreover, not all policies that target employment more directly hinge on interactive processes, but rely on monitoring and comparative assessments (benchmarking) whereby low-performing countries are encouraged to recognize themselves as such and to undertake reforms. These qualifications notwithstanding, we do find EU employment policy instruments in which interactive processes seem to play a substantial role at both the horizontal and vertical levels. These are analysed further below.

**4. Horizontal interactions at the EU level**

This section examines in three steps the horizontal interactions related to the development of EU employment policy. Focus is on the interaction between the member states, EU institutions and the social partners in order to determine if we are witnessing cooperation, coordination or collaboration according to our conceptualization of these terms. First, we examine the processes of interaction established in the chapter on employment in the Treaty on the Functioning of the European Union. Second, we examine how recent developments expressed in treaties and recently adopted ad hoc pacts affect the quality of interactions between the involved actors. Third, we look at the intergovernmental interactions involved in peer review processes under the mutual learning programme.

***Treaties and intergovernmental processes***

At the most general level, involvement of member states, specific EU institutions and social partners in the processes surrounding EU employment policies is established in the Treaty on the Functioning of the European Union (TFEU) art. 145-150. These articles stipulates that the EU *must* have an employment policy in relation to which the member states must develop a coordinated strategy, that the employment policy must be consistent with the broad guidelines of the economic policies, and that the sovereignty of the member states must be respected. Finally a number of procedural tenets are specified which are of particular interest for assessing the scope of interaction between various actors. The Council and the Commission must annually produce a joint report on the employment situation in the Union upon which the European Council (i.e. the ministers of employment) is to issue conclusions. Based on these conclusions, the Council draws up employment guidelines – the most substantial manifestations of the European Employment Strategy – and the member states commit to pursuing these guidelines in their national policies. Formally, the Commission can do little to influence the guidelines without the consent of the Council, but in practice the Commission seems to play a substantial role in the sense that it sets the agenda by proposing joint guidelines, provides expert knowledge justifying which guidelines are reasonable and which are not, and structures negotiations between the different member state positions (Borrás and Lynggaard 2011). More generally, the Commission is important for promoting intense member state interactions around the guidelines by providing a narrative couched in terms not of national self-interests, but of a joint European destiny and a joint EU vision on how to enhance job creation most effectively in the EU at large. While policy documents as well as our interviews with top civil servants from the departments of employment in Denmark, England and France suggest a certain convergence of the understanding of the problem of (un)employment and how it should be addressed, important differences remain between the member states’ actual policy approaches. By exercising hands-on metagovernance, the Commission is trying to tackle these differences and further a shared understanding through interactions approximating actual collaboration.

Outside the intergovernmental negotiations in the Council, a set of more low-key but still essential processes are taking place in EMCO. The EMCO, legitimised in the TFEU (art. 150), consists of two permanent representatives from each member state (usually high level civil servants from the national ministry of employment) and two from the Commission. The EMCO is in charge of monitoring employment policies and their implementation both nationally and at the EU level and issues opinions when asked to do so by the Council or the Commission or on its own initiative. The EMCO writes up the final draft of the proposal of the employment guidelines before they are handed over to the Council for adoption. Moreover, the EMCO is the forum where the dialogue with the social partners takes place and as such it functions as an important gateway between the EU institutions and the social partners. Again, the Commission plays an important facilitating role as secretariat for the EMCO (cf. TFEU art. 240). By implication, the Commission provides analyses, expertise, structures the agenda, mediates between potentially diverging national interests (which tend to be less pronounced in the EMCO among ministerial civil servants than among the ministers in the high-profiled Council) and moves the process ahead by organizing meetings, enforcing deadlines for reports etc.

The processes involved in formulating the EU employment guidelines and monitoring their implementation as stated in TFEU suggest extensive *cooperation* at the EU level among a number of relevant actors. Also the consultation and negotiation processes indicate *coordination* that may reduce conflicts and enhance synergies. It adds weight to the processes that the member states participate both through their permanent representatives in EMCO and ultimately through the Council. We will even suggest that *collaboration* takes place during Council negotiations and EMCO activities in the sense that we find a certain willingness to formulate joint goals and guidelines and to embark on national initiatives to these. This conclusion comes with the crucial qualifier that the EU employment policy at this level does not specify *how* – by what means or by which specific member state policies – these goals and guidelines are to be met. Here the interests remain quite diverse.

***Social Dialogue***

The limited scope of the social partners’ involvement in the employment policy is another reason why the interactions at the EU level do not at present scale up to collaborative governance. While the processes prescribed in the TFEU *on paper* suggest coordination, statements by the social partners indicate that *in practice* the EMCO has not paid sufficient attention to the goals of others and as such the processes do not even meet our requirements for cooperation. In 2013, the four main social partners at the EU level – BUSINESSEUROPE, UEAPME, CEEP and ETUC – along with the liaison committee Eurocadres/CEC[[2]](#endnote-2)– issued a joint declaration stating that “… it is important to ensure that when social partners are invited to address the Employment Committee [EMCO] … the agenda allows for a real discussion with them’ (BUSINESSEUROPE et al. 2013). This collective outcry suggests that the social partners do not feel heard and taken seriously in the processes. Moreover, the fact that the employment guidelines have not been changed the least since 2010 suggests that the processes behind the formulation of the EES are ritual dances rather than actual policy making.

Finally, many social partners on the labour side have felt increasingly alienated because of the quite narrow focus on macro-economic stability in the many reforms packages adopted over the last decade. The integration of the EES in the Broad Economic Policy Guidelines (BEPG) in 2005 effectively subordinated employment policy objectives to macro-economic priorities. This submission has repercussions for the processes behind the EES and for the quality of collaborative arrangements. Also, the social partners were hardly involved in the introduction in 2010 of the European Semester – the streamlining of the economic policy planning in the EU (see European Commission 2014). A European Semester starts with the publication of an Annual Growth Survey (AGS), which outlines the main economic (and employment) policy priorities of the EU. As established in the TFEU article 148, the social partners are invited to comment on the AGS, but their efforts are in vain as their comments are not attached to the AGS when this is sent to the Council, which decides on priorities, policy recommendations and guidelines (BUSINESSEUROPE et al, 2013:3). Likewise, the intensified monitoring of the labour market and the subsequent work to develop labour market performance indicators has taken place without the involvement or consultation of the social partners (*ibid.*). The *de facto* downgrading of EU employment policy ambitions is also seen in the adoption in rapid succession between 2011 and 2013 of the ‘Six Pack’, the Fiscal Compact and the ‘Two Pack’ – three treaties that entail still more nuanced, detailed and possibly semi-automatically sanctioned economic, financial and budgetary policies and as such illuminate the lack of ways to impose and sanction employment policy ambitions.

Even the Commission’s enthusiastic embracement of the flexicurity approach back in 2007 seems to have confined itself to suggestions and recommendations, but no initiatives that could commit social partners or member states. While these developments (and lack of same) in themselves do not alter the quality of the interaction between multiple stakeholders regarding employment policy at the EU level, they do appear to turn both attention and commitment away from the employment agenda. Thus, while the processes behind formulating the EU employment polices do entail a number of interactive processes that we may qualify as *coordination*, a number of practices and developments in the surroundings of the employment policy field suggest that the quality of the coordination is challenged. Still, we assess the processes to be stronger than mere cooperation though not elaborate or strong enough to qualify as collaborative.

***The peer reviews***

Some scholars have argued that ‘soft’ processes inducing reflexion and learning may be as efficient in changing the conduct of an actor, including a nation state, as regulative laws backed by possible ‘hard’ sanctions (Teubner 1983; Jacobsson 2004b, Trubek and Trubek 2005). Most likely in recognition of these arguments and in the absence of hard law alternatives, the EU, propelled by the Commission, has developed a Mutual Learning Programme as part of the OMC in employment as well as in other policy areas in which the Union has no legal sanctions at its disposal. The Mutual Learning Programme in the employment field consists of peer reviews, thematic events, learning exchanges, dissemination of good practice and a database on labour market practices (see <http://ec.europa.eu/social/main.jsp?catId=1072&langId=en>). Each instrument induces interaction between participating member states and to varying degrees with experts, EU institutions, social partners and other relevant actors. However, the primary activities consist of exchanging knowledge and ideas and may not even lead to recognition of the goals of others (as required to be considered cooperation). As participation is voluntary (and for peer reviews and learning exchanges requires an invitation) the instruments in the Mutual Learning Programme are weak even among the ‘soft’ instruments.

Despite this limitation, the mutual learning sessions may under some circumstances spur a sense of common understanding, shared purpose and perhaps ultimately even increasing commitment to joint employment approaches. First, the peer review offers a forum for member states to present and promote selected features of their national employment policy (as when Denmark hosted a peer review on flexicurity in November 2014) and as such functions as a channel for sharing of good practices and for policy upload. Though peer reviews do tend to be showcases of successful national practices with the effect of reinforcing existing national policies, the peer reviews have on some occasions made some member states question and ultimately even change parts of their existing employment policy approach. This was the case when France in 2000 hosted a peer review on its work sharing programme (35-hour work week) introduced in 1997. During the review, harsh criticisms of the programme were voiced and soon after France abandoned the programme and returned to a 39-hour work week (Triantafillou 2011). Another feature that seems to be increasingly valued is the possibility to focus on very technical matters as when the Czech Republic hosted a peer review on the use of counterfactual impact evaluation in October 2014. This and a series of subsequent peer reviews indicate the consolidation of a common understanding of the importance of systematically assessing the (cost) efficiency of the public employment services (the PES to PES dialogue, see <http://ec.europa.eu/social/main.jsp?catId=964&langId=en>).

The peer reviews then do hold some potential and even some concrete incidents of interaction characterized by a common understanding, a sense of shared purpose and a certain level of commitment to joint employment approaches. However, this trend of cognitive and normative convergence is always balanced by the member states’ domestic interests, i.e. concerns about the national constituencies, which makes it difficult to make unpopular reforms that erode existing social rights and benefits. Moreover, while the peer reviews in some cases have contributed to disseminating good practices and ideas from one member state to another, the reviews entail no efforts to avoid conflicts or to create synergies between member states, which are required to be considered coordination. Moreover, the list of reviews made available by the Commission shows that the social partners only participate on rare occasions, and it is therefore questionable if the conditions of cooperative interaction is fulfilled even with this instrument (see <http://ec.europa.eu/social/main.jsp?langId=en&catId=1070&furtherNews=yes&limit=no>). In brief, while the Mutual Learning Programme and particularly the peer reviews hold a large potential to promote collaborative forms of interaction, they rarely manage to go beyond *cooperation*.

In conclusion, we find that the horizontal interactions around the EU employment policy display sustained elements of both *cooperation* (the peer reviews) and *coordination* (the social dialogue). We also find occasional signs of actual collaboration in the intergovernmental processes around the treaty formation and in the peer reviews. Thus, we do find incidents of common understandings and articulations of shared purpose. However, when push comes to shove and the implementation of joint employment strategies runs counter to existing member state policies, the commitment to change is weak. So even if we do find important indications of converging cognitive and normative horizons on the employment challenge among member state policy elites and even some of the social partners, concerns about national constituencies and the next national election often outweigh the commitment to a joint EU employment approach.

**5. Vertical interactions between the Commission and the member states**

This section examines interactions on the vertical dimension in EU employment policy making. We focus on the interactions between the Commission (including EMCO) and the member states as these are the dominant players. The vertical relations centre on two proceedings, one related to defining future employment policy goals and strategies and one related to the assessment of and commenting on past member state performance.

***Setting future employment political goals***

How does one – anyone – make 27 independent countries with their own domestic interests, ideas and agendas endorse a united approach to employment policy having only ‘soft’ tools at one’s disposal? The notion that the EU enjoys a united approach to employment policies should not be exaggerated as national interests are too strong. Yet the EU does have a common employment strategy and every year produces common employment guidelines that all member states have committed to work to implement.

A first objection would be that the wordings of the employment guidelines (reproduced in box 1) are so general that no one can object to them. However, as Jacobsson (2004b) points out, behind these seemingly toothless wordings lye the acceptance of a joint language (a ‘Eurodiscourse’ cf. Jacobsson) that carries over in increasing employment rather than reducing unemployment. This again has implications for how the area is and can be monitored as statistics describing labour market participation are vastly different from statistics describing unemployment. Jacobsson identifies three ‘discursive regulatory mechanisms’ – joint language, common classification and indicators, and the building of a common knowledge base – and identifies the Commission as the prime user of these mechanisms or, in our terminology, she identifies the Commission as a metagovernor. Borrás and Lynggaard (2011) have also identified the Commission as a metagovernor in the employment policy arena.

**Box 1 EU employment guidelines 2014**

* Increase labour market participation of women and men, reducing structural unemployment and promoting job quality
* Develop a skilled workforce responding to labour market needs and promote lifelong learning
* Improve the quality and performance of education and training systems at all levels and increase participation in tertiary or equivalent education
* Promote social inclusion and combat poverty

What enables the Commission to take on the role as metagovernor in the employment field is – apart from bureaucratic and administrative strength, which is matched by no other potential metagovernor in the field – the opening provided first in the Amsterdam Treaty and now in TFEU that allows the Commission on its own initiative to take steps to enhance cooperation between different actors to work towards implementation of the employment strategy. Much of the work under the Mutual Learning Programme discussed above may be considered the basis for disseminating the Commission’s ideas about employment policy; an example is the Commission’s embracement – and reinterpretation – of the flexicurity concept (Klindt 2011). Although member states are more enthusiastic about flexibility than about security (*ibid.*), attention to securing individuals economically when they pass from one job to another (and hence facilitate flexibility) is seen for instance in the Social Investment Package.

The Commission’s power as a metagovernor is documented by Borrás and Lynggaard (2011), who find that it clearly outweighs EMCO as the most important metagovernor in the employment field. Nonetheless, the position as metagovernor does not imply that the Commission is in a position to decide upon the substance of the employment policy. Member states have clear and conflicting interests that are certain to limit the Commission’s influence and its role as metagovernor is as such disputed. However, the Commission has largely succeeded in ‘setting the scene’ via its discursive mechanisms and in facilitating and hence influencing the regular meetings in which the member states, EMCO and the Commission discuss future employment policy objectives and ambitions.

What type of interaction does this leave us with? The subtle discursive influence does not as such involve interaction, but the Commission’s work in this field, although disputed, undoubtedly creates dialogues that over time help construct a common goal, maybe reduce barriers and create synergies. In that sense, we are witnessing *coordination*. However, since the actors do not commit directly to implementing the strategies or to funding their implementation, we cannot call it collaboration. And again, the social partners are rather absent in the processes.

***Assessing and discussing member state performance***

The European Employment Strategy entails institutionalised and regular assessment and commenting on member state performance. Member states are committed to produce an annual report on the principal measures taken to implement its employment policy in the light of the guidelines (TFEU art. 148.3). The Council is required to monitor implementation of the employment policies based on the incoming reports and EMCO’s views. If recommended by the Commission, the Council may make recommendations to the member states (TFEU art. 148.5). Again, the Commission plays a key role in assessing and commenting on member states’ performance and policies; a role that has become all the more central as new treaties on economic, fiscal and budgetary discipline (see above) give the Commission competences to comment and recommend and even sanction in these new areas and thus further the coordination of its intervention towards member states.

As seen above, commenting on past performance takes place in peer review settings and in other Mutual Learning Programme initiatives. To the extent that an institution at the EU level directs itself to a national audience, this falls under vertical interaction. The Learning Exchanges, the Disseminations of Good Practices and the Database of Labour Market Practices are in this category, but they are hardly interactive in their set-up.

More importantly, the Commission is conducting bilateral dialogues with all member states based on their National Reform Programmes (NRP). This dialogue may – and most often will – end in country-specific recommendations formally issued by the Council, but in practice developed by the Commission. In fact, the process of developing the precise country-specific recommendations is interesting and minutely described by Copeland and ter Haar (2013). Contrary to the common understanding that the Commission issues the country-specific recommendations principally by measuring the performance of a given member state against the employment guidelines, Copeland and ter Haar document that each member state engages in intense negotiations about the number and substance of the recommendations. The recommendations are, as the authors put it, ‘politically negotiated’ (2013:31).

At first glance, the procedures for developing country-specific recommendations seem to meet our requirements for collaborative governance. The processes are firmly institutionalized forms of interactions in which the actors are committed to negotiate diverging interests and to develop shared governance goals. Moreover, the member states have committed to implement the shared goals and to provide the necessary funding. These appear to be elements of common understanding, shared purpose and even a level of national commitment, but for several reasons it would be problematic to regard this as outright collaboration. First, member states tend to ‘cherry pick’ (Copeland and ter Haar 2013:29) those goals and instruments propagated by EES that are most in line with their existing policies. Thus, the so-called development of ‘shared governance goals’ in practice amounts to the Commission and a single member state bilaterally agreeing on implementing one (or a few) policy goal(s). It by no means implies that all 27 member states agree on the same goals and measures. Again, like in the case of the horizontal interactions, concerns about domestic reactions seem to overrule the convergence of understandings and the sense of shared purpose developed among the top national employment policymakers in Europe. Moreover, the absence of the social partners in these processes seriously questions the collaborative dimension of this particular form of interaction.

In sum, the assessment and discussion of the member states’ employment performance and the processes leading to country-specific recommendations entail a high degree of vertical interactions between the Commission, the EMCO and the member states. Despite their intensity and regularity, the bilateral scope of these governance interactions makes it hard to regard them as collaborative. Rather, the vertical interactive processes seem to amount to *coordination* in the sense that the actors pay attention to the goals of others, seek to promote limited mutual adjustment of policy goals and measures, and to a limited extent provide synergies.

**7. Conclusion**

This article has assessed the interactive processes that have been part of the EU’s employment policy since the late 1990s. As this policy involves a variety of instruments and has changed considerably in the studied period, any straightforward assessment is difficult. With these qualifications in mind, the EU’s employment policy only displays very few instances of genuine collaboration in the sense of long-term and firmly institutionalized forms of interactions in which actors are committed to negotiate diverging interests and develop shared governance goals, implement such goals in practice, and possibly share resources to meet these goals. Such instances of collaboration are found in the horizontal Council negotiations on Treaties and the employment guidelines, in the work of EMCO, and in a few incidents during the peer reviews, but not really anywhere else. The policy documents we analysed and the interviews we conducted suggest a certain sense of common understanding and shared purpose among policymakers and top civil servants in the employment services. However, commitment to actual implementation of policy reforms seems to depend to a large extent on concerns about the possible reaction of national constituencies. The French abandonment of the 35 hours work week, which suggests a certain commitment to a common European understanding of how best to solve the employment problem, seems to remain an exception to the rule that national interests prevail. Thus, the collaborative quality of the interactions seems to decline the closer we get to policy implementation and launch of actual reforms.

By implication, our study shows that even if interdependence may be conducive and perhaps even a requirement for collaboration, it is not sufficient. Interestingly, EU policymakers - in Brussels and in the member state capitals - and many economic experts repeatedly stress that coordinated efforts in the EU are necessary to tackle employment effectively. That this is not just empty words is proven by our study, which demonstrates many instances of cooperation and coordination in the making and implementation of employment policies. Moreover, the persistent high levels of unemployment and low economic growth rates in the EU after 2008 could have provided a window of opportunity for a change in policy style towards more genuinely collaborative styles of policymaking. However, our data material suggests that the member states are reluctant to take the joint employment policy a step further and engage in genuine collaboration.

One likely reason is that the member states do not want to give up their sovereignty and independence in this policy area. Another key explanation is the way the process has been metagoverned. While the EU Commission has designed the OMC to promote collaboration in the EU Council and the EMCO, interactions in the implementation phase are designed to promote cooperation and coordination rather than collaboration. Hence, peer review processes, reporting arrangement and consultations focus on the individual member states’ performance rather than on promoting and encouraging the member states to work together in a shared effort to implement the policy guidelines. Chances are that a restructuring of the metagovernance strategy that forms the backbone of the OMC will enhance the collaborative quality of the implementation efforts in EU’s employment policy. Relevant metagovernance tools could be story lines calling for bilateral collaborations, funding schemes that strengthen interdependencies and encourage collaborations, guidelines that measure the degree to which member states work together, and workshops and events that inspire and facilitate such collaboration. In other words, collaborative governance does scale up. Its actual scope is among other things conditioned by the way it is metagoverned.

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**Endnotes**

1. A number of studies indicate that the EES spurred substantial interactive processes at the domestic level between 1998 and 2005 in the making of the National Action Plans for employment. Yet the intensity of these interactions tended to wane with the advent of the National Reform Programs whereby the Treasury came to orchestrate the process in most member states (Esmark et al. 2011). [↑](#endnote-ref-1)
2. BUSINESSEUROPE (formerly UNICE) organises large, primarily industrial employers. UEAPME (Union Européenne de l’Artisanat et des Petites et Moyennes Entreprises) organises employers of crafts, trades and small and medium sized enterprises. CEEP is the Centre of Employers and Enterprises providing Public Services. ETUC is the European Trade Union Confederation while Eurocadres (the Council of European Professional and Managerial Staff) and the CEC (Confédération européenne des cadres; the European Confederation of Executives and Managerial Staff) are cross-industry confederations of employees’ organisations. [↑](#endnote-ref-2)