

## **Who formulates the European Employment Guidelines?**

The OMC between deliberation and power games

Paper presented to the Annual Conference of the ESPAnet

*“Changing European Societies – The role for Social Policy”*

13-15<sup>th</sup> November 2003 in Copenhagen

**Contact:**

Sebastian Jobelius

Graduate School of Social Science (GSSS)

University of Bremen

Postbox: 330440

28334 Bremen

sebastian.jobelius@gsss.uni-bremen.de

## **Summary**

*This paper provides an analysis of the process leading to the formulation of the 2003 European Employment Guidelines and the strategic behaviour of the actors involved. I thereby presume that the Commission on the one side and the member states on the other side have diverse institutional self-interests in the process. By focusing on the underlying interest conflicts and power-relations, the paper challenges the concept of the European Employment Strategy as a predominantly deliberative process. In this context, the question was whether the formulation of the guidelines was dominated by the Commission, using its agenda-setting power, or if it fits more in the row of intergovernmental decision making via intermediate bodies such like the Employment Committee. As the analysis shows, the commission did indeed make intensive use of their agenda-setting power, aiming to open up gateways for future member state-critique in form of more quantitative targets in the guidelines. Contrary to this aim, a considerable number of member states indicated continuous opposition against the commission's proposal. As decisions had to be made, the commission dispensed from most of its proposed targets as both actors had no interest in a failure of the procedure. In light of the results, the paper argues for a stronger emphasis on power relations and interest-politics when it comes to the study of new forms of governance via "soft-law".*

**Keywords:** European Employment Strategy, Open Method of Co-ordination, Governance, European Integration

## **Abbreviations**

COREPER	Committee of Permanent Representatives
EES	European Employment Strategy
EMCO	Employment Committee
EP	European Parliament
JER	Joint Employment Report
NAP	National Action Plan

## **I. Introduction**

Formulating the Annual Employment Guidelines is a key element of the European Employment Strategy (EES). However, as there are various actors involved in the process of drafting and deciding on the guidelines, it remains unclear to the outside observer to what extent the various actors contribute to the final outcome, i.e. the adopted final version of the guidelines, and how the specific content of the guidelines is determined.

With regards to these questions, the argument of this paper is that formulating the guidelines is characterised by intensive use of institutionally derived power of the Commission and the Member States, aiming to push through their institutionally derived self-interests. The paper thereby challenges assumptions of the EES as a predominantly deliberative mode of governance. It further tests in how far institutional approaches to study European integration are applicable to the study of the EES.

As the Presidency Conclusions of the Lisbon European Council state, the OMC should involve periodic monitoring, evaluation and peer review organised as mutual learning processes (European Council 2000). With regards to the EES, Article 128 of the Treaty explicitly describes the process of formulating the employment guidelines as part of a mutual learning process, where intense analysis of Member States employment performances as well as best practices lead to the formulation of Employment Guidelines as well as recommendations to the Member States.

Such manifestations gave room for speculations in how far the OMC represents a new mode of deliberative governance or “experimental democracy” (Eberlein and Kerwer 2002). As one option, authors think of “the emergence of a core network, consisting of institutions and committees, national administrations and non-governmental actors, who deliberate on the basis of shared experiences and commitments to a common enterprise” (Hartwig and Meyer 2002). Such processes would create trust and cooperative orientations among participants and tend to encourage learning dynamics (Hodson and Maher 2001; Ferrera et al. 2002). As a consequence, policy change in the Member States is expected to follow from participation in the process, by an informal harmonisation of views among participants (Jacobsen 2001). To the contrary, critique on the method mainly focuses on the lack of binding rules and regulations connected to the

method when it comes to implementation of the guidelines in the member states (de la Porte and Pochet 2002; Scharpf 2002).

Recent experiences already provide a more differentiated picture with regards to the deliberative character of the method itself. Jacobssen's analysis showed that the deliberative character of the EES is at some points questionable. Whereas she says that in general "strategic bargaining is not the general mode of interaction in the committees", she also points to the fact that at some point strategic interaction has increased, in particular when it comes to the formulation of the recommendations to the Member States (Jacobssen 2003). Additionally, the commission itself is not free of tensions and interests when it comes to the provision of expertise and the drafting of the guidelines, recommendations, and the Joint Employment Report (Umbach 2003; de la Porte and Pochet 2002).

This work builds up on these findings and investigates the process leading the formulation of the employment guidelines 2003. The 2003 employment guidelines had an outstanding character as they represent the most fundamental revision of the employment strategy since its first implementation in 1997. As agreed on at that time, the EES should be evaluated after five years. Accordingly, the new 2003 guidelines should reflect the encompassing EES evaluation carried out in 2002 and adopt the strategy to new challenges. As such, the reformulation of the guidelines provides a further test case with regards to the deliberative character of the OMC.

The argument of this paper is that both, the Member States and the Commission, have a substantial and partly contradictory institutionally derived self-interest in the process.<sup>1</sup> These differing interests will always lead to a hard-law like struggle within the framework of the EES when it comes to the formulation of the guidelines<sup>2</sup> and substantially shape their character.

Studying the EES in form of institutional manifested power-relations is rather unusual. However, although it is true that the guidelines of the EES have no legally binding character, the procedure of formulating the guidelines is in substance not different from the procedure that applies to hard-law legislation. Hence, it allows us to study the way the actors involved use their institutional power.

---

<sup>1</sup> The paper hereby refers to the concept of actors institutionally derived self-interest as a starting point for studies on collective-actors' behaviour (Scharpf, F. (1997): *Games Real Actors Play*, Westview Press: Boulder.)

<sup>2</sup> The same applied to the recommendation, although this is not proven in this paper.

The crucial institutional features constituting the institutional power of the Commission and the Council are the treaty provisions concerning the formulation of the Employment Guidelines. As article 128(2) of the treaty says, “on the basis of the conclusions of the European Council, the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, the Economic and Social Committee, the Committee of the Regions and the Employment Committee (EMCO) referred to in Article 130, shall each year draw up guidelines which the Member States shall take into account in their employment policies. These guidelines shall be consistent with the broad guidelines adopted pursuant to Article 99(2).” As long as the Council has thereby not acted, the Commission may alter its proposals during the procedures leading to the adoption of a community act (Art. 250).

The above mentioned Employment Committee (EMCO) is a committee with advisory status with the purpose of promoting coordination between Member States on employment and labour market policies. Its tasks include monitoring the employment situation and employment policies in the Member States and the Community; formulating opinions at the request of either the Council or the Commission or on its own initiative; and contributing to the preparation of the Council proceedings. Its assignments include the employment guidelines, review of the National Action Plans (NAP) and a Peer Review Program, but it is also to contribute to the broad economic policy guidelines and to the macroeconomic dialogue (the Cologne process).

The underlying interpretation of Article 128 of the Treaty is based on relevant comments on European Employment Law (Hemmann 2002; Steinle 2001). According to this, the paper adapts the interpretation that because the council has to decide on the commissions proposal [Art. 128 (2)], amendments of the proposal are only possible by unanimity in the council (Art. 250). As such, the mode of decision making with regards to the Employment Guidelines corresponds with the consultation procedure, in contrast to the co-operation and co-decision procedure (Nugent 1999). The key institutional features are qualified majority voting and unanimity when the Council aims to amend a Commissions proposal. The European Parliament has only limited influence as it is only asked for an opinion with no further consequences.<sup>3</sup>

---

<sup>3</sup> The fact that the Employment Guidelines come under the consultation procedure is not always clear in the literature. Hodson and Maher as well as Lord for instance leave room for misunderstandings as they did not distinguish between the processes applied when it comes to the adoption of the Broad Economic Policy Guidelines and the Employment Guidelines. As a consequence, they neglect that the Council is only allowed to amend the commissions proposals by unanimity Lord, C. (2003): The European Parliament in the Economic Governance of the EU, In: Journal of Common Market Studies, 41 (2), 249-67, Hodson, D. and Maher, J. (2001): The Open Method as a New Mode of Governance: The Case of Soft Economic Policy Co-ordination, In: Journal of Common Market Studies, 39 (4), 719-746.

The strategic implications of these institutional features have been widely discussed in literature on European integration. Recalling these findings, the paper discusses the ways in which the Commission, the Member States, and to less extent the European Parliament and the Economic and Social Committee, can influence the formulation of the Employment Guidelines.

The empirical analysis relates to the full process of formulating the Employment Guidelines in 2003 on the basis of non-public and public text-documents of the European Commission, the Member States, the Presidency, the relevant Committees and the European Parliament as well as on own observations.

Altogether, the findings should help to sharpen our understanding of the character of the Employment Guidelines with regard to their potential of providing a common basis for Member States Employment Policies and to strengthen the Commitment of Member States towards the objectives agreed on in the treaty and the various European Councils.

## **II. Consultation-Process at work**

I assume that five years after the initiation of the EES, diverse interests have emerged among the Member States and the Commission. This is to a lesser extent because Member States and the Commission fundamentally differ in terms of content, but more because of diverse strategic perspectives on the process. Beside the undisputed interest of both actors to reach an agreement on new guidelines annually, I can state for both actors a fundamental institutional self-interest that likely determines actors' general behaviour in the policy process.

Generally speaking, I would predict that the institutional self-interest of the Commission is to use the Employment Guidelines to strengthen their position on Member States employment policies. They will therefore try to anchor as much binding elements as possible in the guidelines, e.g. via more quantifiable targets, more concrete policy-statements, and more reporting-obligations.

The Member States, on the other side, try to profit from international co-operation without losing power and control. Their general attitude is therefore to avoid making concrete commitments on the European level, as they could be used by the Commission to blame the own government the following year.

With regards to the annual adoption of the Employment Guidelines, the treaty equips the Commission and the Council with the basic institutional power that characterises decision making within the EU. This institutional setting shall allow a well functioning of the integration process without questioning Member States sovereignty. At the same time, the institutional features of Article 128, in connection with Article 249 and 250 of the Treaty, have strategic implications for the Commission as well as the Member States to pursue their interests.

The general provisions of Article 249 and 250 were thereby subject of intense rational-choice analysis, aiming to reach generalisation on actors behaviour due to the strategic options inherent to this procedure and to explain decision making in the European Community (Steunenberg 1994; Garret and Tsebelis 1996). However, whereas these scholars widely agree on the strategic implications of the consultation process and the strategic importance of agenda setting, views differ widely when it comes to the assessment of other forms of governance such like the co-ordination and the co-decision procedure (Tsebelis and Garret 1997; Crombez 2001).

For a better understanding of the processes leading to the formulation of the guidelines, we briefly recall the research done on the strategic implications of the consultation-procedure. In the consultation procedure, the commission has the agenda-setting power, i.e. it gives the proposal to the Council. This proposal can only be changed by unanimity through the Council. Conversely, the Council agrees on the proposal of the Commission under the rules of qualified majority voting (“majority version”).<sup>4</sup> In most policy areas, the Commission has furthermore a quasi-veto under the consultation process as it has the possibility to withdraw a proposal and thereby end the legislative process or to even do not start the process at all. This option is also described as the worse case scenario (Ostrom 1986; Scharpf 1985; Hanson 1998). The worse case scenario requires an extended game, as it means that the Commission forces Member States to agree on a proposal although it does not meet the interest of Member States (qualified) majority. This could be the case if the failure of a Commission proposal would yield to a situation that is even worse for the Member States, e.g. because the Commission is able to apply competition law instead of searching for positive regulation together with the Member States. Summing up, from a rational choice perspective, there appear three options as the likely outcomes of the consultation process.

- (i) The Commission meets a divided Council, i.e. no qualified majority can be formed against the status quo. In this case the Commission would not initiate legislation.

---

<sup>4</sup> There is another „unanimity version“ of the consultation process which applies to other areas but not to the formulation of the Employment Guidelines.

- (ii) The Commission meets a supportive Council, i.e. a policy change is preferred by a qualified majority in the Council. Here, the Commission would propose a policy that reaches a qualified majority and is closest to its preference.
- (iii) The Commission meets an unanimous Council, i.e. the proposal of the Commission could be amended unanimously through the Council. If such an amendment is pareto-efficient, the Commission would allow such an amendment, if not, it might even retreat a proposal or dispense the initiative at all.

Steunenberg concludes that under the consultation process, the Council has limited power to affect the final piece of legislation. Instead, the Commission would be “able to force the Council to vote for a rather different policy than the one its members actually prefer” (Steunenberg 1994). Tsebelis and Kreppel even state that “the fact that the Commission proposals are more easily accepted than modified by the Council has accelerated the pace of integration” (Tsebelis and Kreppel n.Y.).

However, as the history of European integration has shown, the Commission does not always use its agenda-setting role in a way rational-choice analysis would predict, i.e. in a way as to set the agenda by using its formal powers strategically. Some of these examples were carefully documented by (Schmidt 2001). In the case of the packaging waste directive for instance, we could observe a Commission that took an approach of least resistance instead of isolating two opponent Member States and push through a pro-integration directive (Golub 1996). In case of the directive on postal services, the Commission opted for the member-states status-quo position due to intense pressure from Member States instead of applying competition law (Schmidt 1998). These observations point to the existence of informal rules. In particular, it is emphasised that the Council increasingly works on the basis of compromise positions drawn up by the presidency or intermediate bodies such as the various committees (Hayes-Renshaw and Wallace 1997; Beyers and Dierckx 1998). These intermediate bodies - such as the Employment Committee - would stand for another type of governance, predominantly looking for compromise and consensus. Correspondingly, Schmidt concludes that the image that emerges is not that of a Commission that leads the Member States to be trapped in their incapacity to alter a proposal unanimously. Rather, the Commission would put forward proposals which are subsequently modified by the Council presidencies. When finally at least a qualified majority of Member States agree to the compromise, the Commission would incorporate this compromise into its

proposal to the Council. However, Schmidt also emphasises that further research is needed to understand the exact interplay of formal and informal rules (Schmidt 2001).

#### *The consultation procedure applied to the formulation of the Employment Guidelines*

Starting from an institutional perspective, there is one institutional feature in this case that fundamentally differs from most other cases where the consultation process is applied: because the treaty obliges the Commission to propose the employment guidelines annually, the implicit veto-right (s.a.) of the commission does practically not apply. Hence, the Commission can neither wait with an initiative until a promising moment is reached, nor can it avoid decision making in the process. In game-theoretical terms, Member States consequently have the principal option to pursue a dominant strategy. A dominant strategy is defined as a strategy where one actor alone is able to reach the best outcome without having to consider the actions of others. This is the case when the Council can amend and decide on a proposal after the Commission has initiated the proposal without any possibility of the Commission to stop this endeavour. On the other hand, the Commission has the unchanged agenda-setting capacity of picking the proposal that is closest to its own preferences and still receives a qualified majority vote in the Council. Hence, the strategic task of the Commission is to bring out a proposal closest to its preferences, with at least one state that prefers the Commissions proposal to a unanimous Council position and a qualified majority that supports the Commissions position. Still, there is one scenario of non-agreement, this is when the proposal of the Commission does not meet the qualified majority and the Member States are not able to find unanimity.

Anyway, the scenario of non-agreement is more of theoretical nature, because neither the Commission nor the Member States have an interest in a failure of the EES. From the Commission's viewpoint, the governance-mechanism of the EES, i.e. the principles of the Open Method of Co-ordination, serves as the only instrument to influence Member States employment policies. On the contrary, both the Commission and the member state share the view that giving the guidelines the character of directives would be an inappropriate measure to govern member-states employment policies. From the Member States viewpoint, a failure of the EES would mean a worsening, as they would firstly loose the instruments to share experiences and best practices and secondly give the signal to the public that the EU is not able to address the problem of unemployment in the EU. Finally, presenting the formulation of the guidelines as a battlefield would contradict the whole idea of the OMC, which is based on the principals of participation and the acceptance of diversity. Due to its voluntary character, confrontation would only undermine the impact of the EES in the Member States.

Hence, we have to add an “informal” rule to our assumptions, namely that neither the Commission nor the Council have an interest in destroying the credibility of the EES, or to put it differently: the perpetuation of the status quo, i.e. the annual adoption of employment guidelines, has a higher value for all actors than any case of non-agreement. Hence, the question is not whether a Council decision comes about, but what the Council decision looks like. It is assumed that all conflicts within the Council as well as between Council and Commission are inherently solved within the package of the Employment Guidelines.

From an institutional perspective, two questions emerge from this reasoning: does the pressure to find a solution even enhance the Commissions agenda-setting power, or does the pressure to find an agreement serve the Councils interests, as it forces the Commission to give a proposal that meets a (qualified) majority in the Council ? It is left open to what extent the existence of an intermediate institution, i.e. the Employment Committee (EMCO), affects the Commissions and the Member States control over the policy process.

Before testing these assumptions and questions empirically, it is finally necessary to specify the annual routine derived from the treaties propositions concerning the formulation of the employment guidelines. For conceptual clarity, this routine is best illustrated along four institutionalised stages, with a pre-stage at the beginning.

#### Pre-Stage

With regards to the upcoming years, the pre-stage will start with the publication of the Joint Employment Report (JER). Based on the JER, Member States and the Commission then evaluate Member States Employment Performance and indicate where they would think of new priorities in the new guidelines. However, as the guidelines were reformed after the five year evaluation, this pre-stage started earlier in 2002 with regards to the 2003 guidelines. The function of the pre-stage is to prepare the field for the first substantial steps, i.e. the conclusions of the spring Council and the following proposal of the Commission. All relevant bodies, i.e. the Commission, the Council, and the EMCO therefore express their view on the new guidelines and thereby try to narrow down the number of disputed areas.

### European Council conclusions

The *first* relevant stage foreseen in the treaty is the assignment of the Commission to formulate the guidelines through the European Council. Like the treaty states, the Commission is asked to present a proposal of the guidelines from the wording in the Council conclusions. The text of the Council conclusion is formulated by the actual presidency and agreed among the Member States. Before the spring Council steps together, Member States agree on the wording in the COREPER. Hence, it is not the Commission, but the European Council who narrows down the scope of possible options the first time. Nevertheless, this wording is always vague and only indicates the broad direction of the guidelines. Furthermore, there is no legal specification to what extent the Commission has to follow the Council conclusions.

### Proposal of the Commission

As the *second* step, based on the assignment of the European Council, the Commission presents the official proposal of the new guidelines to the Council of Ministers. This proposal is dealt with under the rules of qualified majority voting, and to amend the proposal in the final meeting of the Council, the Council needs unanimity. However, the Commission has the possibility to amend its own proposal to the Council until the moment the guidelines finally due to approval.

### Involvement of the relevant bodies

After the Commission has presented their proposal, it is *thirdly* subject of the treaty based bodies, namely the Employment Committee (EMCO), the European Parliament, the Economic and Social Committee, and the Council of the Regions. As the European Parliament, the Economic and Social Committee and Council of the Regions have no say in this procedure, their impact on the guidelines is rather limited. Contrary, the EMCO, although not equipped with procedural competencies, is a preparatory committee for Council decisions and could therefore be of similar importance as the COREPER. Both bodies allow the Member States and the Commission to figure out the distribution of votes and to reach compromises on Commission proposals.

### Council decision

After COREPER has prepared the ground for a final decision, the Commission as the *fourth* step officially submits their proposal to the Council on Employment, Health and Social Protection. After this Council-formation has reached a political agreement on the guidelines, the guidelines are prepared for final decision as an A point.

### **III. The Employment Guidelines 2003**

Five years after the birth of the EES, the Nice European Council has called for an in depth review of the first five years of the EES in 2002. In light of that review, the EES should be revised and adopted to new challenges. Against this background, the formulation of the Employment Guidelines 2003 was the most important step since the first formulation of the guidelines in 1997, as they serve the new basis of the EES for the forthcoming years.

The following analysis of the formulation process refers to the period from January 2002 to July 2003. The focus of the analysis is on the general character of the guidelines, as this turned out to be the source of major conflict. More concrete, it was the question of how many specific quantitative targets should be incorporated in the Employment Guidelines. Additionally, the analysis takes into account the major sub-conflicts in the process, mainly with regards to the incorporation of new general priorities in the guidelines, such like undeclared work or immigration.

As the analysis shows, there were two sometimes competing aims connected with regards to the revision of the employment strategy. The general claim of the Member States was to simplify the strategy, which developed under the roof of the four pillar structure 18 Guidelines (in 2002), qualitative objectives, quantitative targets in the guidelines, and more than 100 indicators to illustrate Member States performance against each other. Not in general opposition to that, the Commission put emphasis on a stronger orientation on quantifiable targets and outputs. However, both actors had different general orientations in mind when formulating these claims. The general interest of the Commission is to give the guidelines as much as possible a binding character. Conversely, most of the Member States are aware of avoiding too many concrete targets. They thereby applied different arguments against the respective targets. In general, they claimed that the EES should focus on the Lisbon targets. The analysis shows that the struggle on quantitative targets was the salient moment of the revision process.

#### **Pre-Stage: developing the new guidelines**

The revision of the EES appeared the first time on the Councils agenda at the informal Council meeting in January in 2002. Here, ministers agreed that the new strategy should strengthen the commitment to the Lisbon-objectives. This also includes adjustment of the time-frame to the Lisbon strategy, meaning a general orientation until 2010 with an intermediate evaluation in

2006. Member States further expressed the view that the number of guidelines should be reduced and that Member States have freedom to determine the most appropriate means to achieve the common objectives (“output-orientation”) (Spanish Presidency 2002).

During the following meeting of the Employment Committee (EMCO), discussion was specified. The Commission's suggestion – taking up the discussion of the informal Council-meeting - that the EES should be simplified, with the Employment Guidelines reduced in number, was supported by most delegations. In addition, a considerable number of delegations further emphasised that there should be greater concentration on strategic objectives. Some delegations claimed that simplification should not entail any weakening of the EES. With regards to targets, a considerable number of Member States expressed their view that the Lisbon-targets and objectives should be at the centre of the new EES. The Commission expressed their view that the Lisbon aims of more jobs, better jobs and social cohesion should be central to the EES. Key priorities should be promoting participation, active ageing, and quality in work (Employment Committee 2002a).

The discussions of the informal Council meeting also formed the basis of the presidency conclusions of the European Council in Barcelona in spring 2002. As the conclusions said, the new guidelines should incorporate the targets and goals agreed at Lisbon. It further states that “in this regard, the Strategy must be simplified, in particular by reducing the number of guidelines, without undermining their effectiveness” (European Council 2002).

As the evaluation of the five-year Luxembourg processes should form the basis for the reformulation of the Employment Guidelines, the first discussion of the evaluation results in the EMCO in early June 2002 was the next occasion to specify demands. Correspondingly, the Committee required that their discussions should feed into the finalisation of the first Commission communication on the future of the EES, expected for mid of July 2002. However, member states positions provided no clear picture. A number of Members stressed that the setting of quantified objectives in the employment guidelines had been a helpful approach to certain labour market issues. In addition, a number of members highlighted the importance of flexibility for Member States in the way that the objectives of the future strategy are implemented (“output-orientation”). Many members also emphasised that the development of indicators, while crucial to measuring progress under the strategy, should be more selective – indicators should be clear, reflecting the main priorities of the strategy, based on robust resources

and common, as far as possible; in this context some members said the number of indicators should be reduced for the future strategy (Employment Committee 2002b).

In the Commission's communication "Tacking stock of five of the European Employment Strategy" from July 2002, the Commission criticises that "the credibility of their (the Member States) commitment to the strategy is limited by the still widespread reluctance to set targets (e.g. on investment in human resources) and the continuing lack of visibility of a budgetary dimension (in particular the ESF contribution)" (European Commission 2002). In general, the communication underlined the commission's view that more concrete targets would strengthen the commitment towards the strategy as a whole. Although the communication did not bring out concrete proposals, it emphasises undeclared work and immigration as important topics and mentions fields where measurable success in the following years is necessary.

At the meeting of the EMCO in late September 2003, the committee adopted an opinion that already was quite concrete with regards to the future guidelines and the question of targets (Employment Committee 2002c). This opinion served as the preparation of the forthcoming Council-Meeting of the ministers. As the text of the opinion says, "the committee would draw ministers' attention to the following broad objectives in the following areas: *Job creation and increasing labour force participation (including active ageing); improving quality in work, promoting active and preventive labour market policies; reforming tax and benefit systems (including incentives to take up and remain in work); promoting, anticipation and managing change; improving the functioning of the labour market, ensuring both flexibility and security; enhancing lifelong learning, skills and mobility; promoting entrepreneurship; strengthening gender equality (including reconciling work and family life); and combating discrimination.*"

With regards to targets, the opinion on the one side clearly stated that the achievement of the Lisbon and Stockholm employment rates being central to the revised employment strategy. On the other side, the Committee required a concentration on commonly agreed strategic priorities, underpinned by appropriate targets. Again they recalled the claim to reduce the number of the guidelines and to have a clearer focus on outcomes to be achieved. This opinion was endorsed by the Council on Employment and Social Affairs beginning of October 2003.

Also since summer 2002, Member States engaged in intensive bilateral and multilateral exchange on the future guidelines. The axis of these countries agreed on some key features such as a reduced number of guidelines and the concentration on the Lisbon targets. Some of these

members also pushed for a detailed opinion of the EMCO on the new guidelines, aiming to present a detailed proposal even before the Commission. By doing so, the Committee would have a greater impact on the Commission's communication on the future of the EES that was announced for January 2003. According to the view of this Member State, the guidelines should be clearly limited in number and should with some exceptions focus on the achievement of the Lisbon objectives.

However, at the end of November 2002, the Commission came out with a first draft of the communication on the future of the EES. According to its own wording, the communication should reflect the following elements: three key-overarching objectives/pillars reflecting the Lisbon balance, a stronger emphasis on the delivery (governance) of the EES, the identification of a limited number of priorities, and the definition of appropriate targets. The Commission then describes nine guidelines, all of them underpinned with new possible quantitative targets. The guidelines were as follows: *“Active and preventive measure for the unemployed and the inactive, making work pay, fostering entrepreneurship to create more and better jobs, promoting active ageing and an adequate labour supply, striking a good balance between flexibility and security on the labour market, investment in human capital and lifelong learning, gender equality, supporting integration and non-discrimination on the labour market for people at a disadvantage, helping address regional employment disparities.”* The issue of undeclared work was dealt with under the making work pay priority.

In a slightly amended version of this draft communication stemming from December 2002, the Commission specified the proposal by presenting the annex to the communication, entailing concrete proposals for around 25 new quantitative targets in the respective policy-fields. The Commission also added undeclared work and immigration as new key-priorities.

#### *Controversy about new quantitative targets*

As the controversy on new quantitative targets became from this moment onwards the salient point of the succeeding process, a more detailed look on these targets is necessary.

In general, the Commission proposed three kinds of new targets in the draft December communication:

Firstly, some of the new quantitative targets were output related, although they did not focus at the heart of the employment rate targets agreed on in Lisbon. Instead, they represented only part of the broader objective they refer to. This applies for instance to the targets on the reduction of

accidents at work and occupational diseases per 100.000 employees by 25% on EU-level or the reduction of unemployment gaps by half for people at a disadvantage, EU and non-EU nationals, etc.

A second type of target would be tantamount to Member States self-commitment to set national targets, either in combination with EU targets or independently. This would apply to the employment rates agreed on in Lisbon and Stockholm, to the reduction of undeclared work, the access to training for part-time workers and fixed-term workers to education and training, and the annual per capita-investment in lifelong learning.<sup>5</sup>

The third group of targets describes input-related targets. There is one input-related target in the guidelines since the start of the EES in 1997. This is the activation target, saying that 25% of the long-term unemployed should participate in an activation measure. In the draft December communication, the Commission takes up to this targets and proposes to increase the percentage to a number of 40% and to further strengthen the activation character of the guideline, e.g. by stating that every unemployed should be offered an action plan before reaching the fourth month of unemployment. Furthermore, the proposed target on the increase in investment in human capital would constitute a second clearly input related target, as it aims at an increase of investment by enterprises in training of adult workers to 5% and to double the investment at the national level. The same principle applies to the proposed target aiming at a reduction of tax burden on low wage-earners to 32.8% as an EU-average and corresponding national targets.

This draft communication caused massive reactions among a considerable number of Member States, leading to interventions already in the decision making process within the Commission. According to the view of some Member States, the communication did exactly the opposite than focusing on the Lisbon targets. Instead, the communication proposed altogether more than 25 areas where new quantitative targets were thinkable. Furthermore, the guidelines were to a considerable extent not output focused, but describe instead input related measures and targets, i.e. they ignore the claim that Member States should be free to decide on the appropriate means to achieve the agreed objectives.

---

<sup>5</sup> The question whether the Member States should underpin targets on EU-average or the guidelines in general with national targets is an old issue among Member States and the Commission, whereby Member States put emphasis on the fact that they engage in a European strategy and that it is up to them where they engage in setting national targets. Conversely, the Commission interprets the absent of national targets as a lack of commitment towards the EES and the Lisbon strategy European Commission (2002): Tacking stock of five years of the European Employment Strategy: Brussels COM (2002) 416 final 17.07.2002..

Due to the massive protest of the Member States, the Commission finally abstained from mentioning the concrete targets in the final communication (European Commission 2003a). However, the focus on quantitative targets remained obvious. As there were two months between the first draft version presented in November 2002 and the adoption of the communication in the Commission in January 2003, Member States had enough time to prepare opposition against the targets, using their channels in their cabinets and direct contacts to the new Greek Presidency.

Although the final Commission's communication did not entail the list of possible quantitative targets anymore, the Commission was confronted with critique at the first meeting of the EMCO in January 2002. A majority of Member States clearly stated that they are against new quantitative targets, another considerable number of Member States underlined that they can live with only some of them. Only one country explicitly supported a considerable number of new quantitative targets. With regards to new guidelines on immigration and undeclared work, there was only one country explicitly supporting immigration as a new priority and three countries in favour of a priority on undeclared work. Conversely, five and respectively six countries were against these new priorities.<sup>6</sup> With regards to the following meeting of the EMCO in February 2003, the EMCO secretariat became the job to prepare an EMCO-opinion in the Commission's communication, thereby giving concrete and detailed information on member-states priorities with regards to the new guidelines.

In this EMCO-opinion, Member States clearly stated that the Employment Guidelines should be outcome oriented and recalled the priorities already mentioned in the previous EMCO-opinions. The issue of transforming undeclared work into regular employment was regarded as to be a key issue which should be addressed in relation to achieving the objectives. The effect of immigration on labour markets was also considered as an important issue, but it should only be considered in relation to the other objectives. The opinion further states that in order to ensure effectiveness of the strategy and in line with the call for a greater focus on implementation, the guidelines should be underpinned by relevant and concrete targets. These targets should relate specifically to the objectives of the Lisbon strategy (Employment Committee 2003). This opinion was of particular importance as it served at the same time as the wording for the Conclusions of the Council on employment, social policy, health and consumer affairs (Council

---

<sup>6</sup> information's based on written memories of EMCO-members

of the European Union 2003), which met shortly before the European Spring Council in Brussels.

#### *Pre-stage summary*

After 15 months of deliberation and bargaining, the Member States had a quite concrete view of how the new guidelines should look like: They reached agreement on 8 priorities, on three overarching objectives instead of the four pillar structure, on the orientation on the Lisbon strategy with regards to the relevant objectives and timing. Two major questions were still disputed: firstly, how many new quantitative targets are appropriate and effective. Secondly, should undeclared work and immigration become own priorities, or should they be dealt with under the heading of the other priorities. With regards to the first question, there was a clear opposition against new quantitative targets of at least the half of the Member States, as the diverse meetings of the EMCO and the Council have shown. With regards to the second question, there were only a few states in favour of these topics as priorities, whereas most of the other states vary from opposition to indifference. In general, the first question was of major concern for all the Member States, whereas the second question was of importance for only some of them, both with regards to the supporting and the opposing fraction.

However, as the Member States had their view on the new guidelines, it was obvious that the Commission still had another reading of the previous 15 months. As the January-communication has shown, the Commission puts the major emphasis on the strengthening of the guidelines via new quantitative targets. At the same time, the Commission had to see that it was not able to even place these targets in its own January-communication. Hence, the Commission had at the end of this informal process of reviewing the EES two options: it either could move into the direction of the majority of Member States, or it could try to use within the following legislative process their institutional power to push through as much of their view as possible.

#### **Stage 1: European Council Conclusions on the new Employment Guidelines**

According to the EMCO opinion, the European Council states in its Conclusions that the European Council endorses the Council's (Employment) key messages on the future of the EES (European Council 2003). With regards to new targets, the European Council had a slightly different wording, saying that the „guidelines should be limited in number, results-oriented and allow Member States to design the appropriate mix of action, taking into account national traditions and practices. They should be supported by appropriate targets“.

This predetermination gave room for the argumentation to principally object any targets that focus on measures instead of outcomes. However, the wording gives also room to argue for new quantitative targets if they are results-oriented. The European Council secondly confirmed the eight undisputed priorities and dropped the issue whether undeclared work and immigration should become independent guidelines open, however indicating that this issues should be dealt with cross-sectional.

### **Stage 2: Commissions Proposal**

At the 8<sup>th</sup> of April 2003, the Commission agreed on a proposal of the new Employment Guidelines (European Commission 2003b). The proposal entailed a considerable number of new quantitative targets. These targets were to a large extent identical with the targets already thought of in the draft January-communication. Instead of 25 quantitative targets, the new proposal entailed around 19 points with national targets or respective requirements to set national targets. Furthermore, the proposal entailed a guideline on undeclared work, although the Member States had agreed on a formulation saying that the matter of undeclared should be dealt with in the other guidelines cross-sectionally. For that, the guideline on immigration did not appear in the Commissions proposal anymore.

Against the background of the previous discussions, this proposal must be understood as an offensive proposal as it clearly defines an extensive pro integration position. As such, the proposal statutes the contrary position to those countries that pushed for new guidelines that firstly entail no new quantitative targets, secondly are clearly outcome related, and thirdly refer to the Lisbon targets.

Again, the Member States tried to influence the final decision in the college of ministers by exerting influence on the chefs de cabinet meetings and the preceding meeting of the cabinet experts on employment issues as they did in the case of the January-communication. However, the Commission managed this time to keep the proposal secret until the very late decisions had to be made, i.e. the member state had no time to organise opposition against the Commissions official proposal.

### **Stage 3: Consultation-process**

The official proposal did not, by and large, meet the expectations of most Member States. Formally, to amend the proposal the Member States need unanimity in the Council. However, in our case, it was clear from the beginning that the official proposal of the Commission would be

intensively discussed with the Member States, first and most detailed in the EMCO, after that in preparation of the final steps before the final council decision, in the Committee of Permanent Representatives (COREPER). Here, the Commission is able to see whether it would be able to reach a qualified majority in the Council and what it eventually would have to change in its own proposal.

#### *Decisive meetings of the Employment Committee (EMCO)*

The decisive EMCO-meetings on the guidelines were organised as a bargaining round of the Commission and the Member States, aiming to agree on a version that is acceptable to both sides. Therefore, they engaged in intense discussion and bargaining. The aim was to sort out a concrete wording of the guidelines in a way that it will pass the voting in the Council. At the end of the day, the Chairman wrote up together with his support team a new proposal in form of a non-paper. It was then the Commissions turn to present an amended version of its proposal.

It turned out that a majority of Member States clearly rejected most of the new quantitative targets proposed by the commission. As Table 1 shows, the Commissions proposal did indeed not meet the Member States expectations. With regards to the single targets, 11 of 17 quantified targets were explicitly rejected by at least seven Member States. The distribution across the countries showed that four countries rejected 2/3 of the quantitative targets, and another four of them rejected nearly half of them. One country even rejected all of the quantified targets. Conversely, there were only two countries that rejected none of the quantitative targets.

Hence Member States had a stable opposition of 7 to 8 Member States clearly against the incorporation of new quantitative targets in the Employment Guidelines.

**Tab1: Quantitative targets in the commissions proposal and the adopted version in correspondence with number of Member States objections**

<b>Proposed quantitative targets in the April-Communication</b>	<b>No. of MS-objections</b>	<b>Adopted version of the guidelines</b>
With regards to the Lisbon and Stockholm objectives, <u>Member States shall set corresponding targets</u> consistent with the outcome expected at EU level	<b>7</b>	Any national target should be consistent with the outcome expected at EU-level
Reduction of accidents work and occupational diseases per 100.000 employees by <u>minus 25%</u> on EU-level	<b>8</b>	No quantitative target at EU and national level
Reduction of unemployment gap of people at a disadvantage <u>by halve</u>	<b>7</b>	No quantitative target, but reference to any national target
Reduction of unemployment gap for EU/non-EU nationals <u>by halve</u>	<b>7</b>	No quantitative target, but reference to any national target
By 2005, such services should be offered <u>to all unemployed people before they enter their 4<sup>th</sup> month of unemployment</u>	<b>8</b>	Ensure that at an early stage of the unemployment spell, all job seekers benefit from an early identification of their needs, advice and guidance, job search assistance and a personalised action plan.
By 2005, <u>all unemployed people</u> are offered a new start in the form of work experience or training (...) before reaching 6 month of unemployment in case of young people and 12 month in case of adults	<b>3</b>	Every unemployed person is offered a new start before reaching 6 months of unemployment in case of young people, in case of adults in form of training, retraining, work practice, a job, or other employability measure
By 2010, <u>30% of the long-term unemployed</u> participate in an active measure in the for of work-experience or training	<b>4</b>	By 2010, 25% of the long-term unemployed participate in an active measure in the form of training; retraining, work-practice or other employability measure, with the aim of achieving the three most advanced Member States.
Significant reduction of the tax-burden according to <u>national targets</u>	<b>4</b>	No national target
A <u>reduced gap</u> in the participation in training of low-skilled workers compared to high-skilled workers	<b>3</b>	Promote access for workers, in particular for low-skilled workers, to training
Significant increase in investment by enterprises in the training of adults to aim at <u>5% of total labour costs</u>	<b>9</b>	It is important that there is a significant increase in investment by enterprises in the training of adults.
<u>Reduce the school-drop-out-rate by 10%</u> at EU-level and <u>half the 2000 percentage nationally</u>	<b>11</b>	Achieve by 2010 an EU average rate of no more than 10% early school leavers.
MS will ensure that the average percentage of 25-64 years old in the EU with at least upper secondary education reaches <u>80% or more</u>	<b>9</b>	At least 85% of 22year olds in the EU should have completed upper secondary education
Increase the participation rate of adults in education and training to 15% in the EU, <u>with participation rates above 10% in every member state</u>	<b>8</b>	The European Union average level of participation in lifelong learning should be at least 12.5% of the working-age population.
To substantially increase the annual per capita investment in human resources according to <u>national targets</u>	<b>9</b>	Policies will aim to achieve an increase in investment in human resources
<u>Halving the gender pay gap</u> in each member state	<b>7</b>	With the view on its elimination, aim to achieve a substantial reduction in the gender pay gap in each member state
<u>33% childcare coverage</u> for under 3 year olds	<b>1</b>	No change
<u>90% childcare coverage</u> from 3 years to school-age	<b>1</b>	No change

If we would translate these results in terms of qualified majority voting, the following picture emerges: Member States would hardly reach unanimity to change the Council proposal as their spectrum differs from one country rejecting every proposed target of the Commission, to two other countries, who had a fairly positive attitude towards new quantitative targets in the guidelines. Contrary, the Commission can not expect to reach a qualified majority in the Council as at least the half of the Member States had more objections on the targets than support. Purely technically speaking, the Commission would have to move from this point to another point that is closest to its preferences and forms a qualified majority.

However, because of the massive disagreement, the Commission had to dispense most of the proposed targets except those on education and activation.<sup>7</sup> All other targets were either skipped completely or transformed into qualitative targets, e.g. by replacing the concrete quantitative target by the wording “substantial reduction/substantial increase”. In areas where Member States were asked to set national targets, the compromise provides in most cases the wording “Member States shall consider setting national targets”.

Whether a country or the commission thereby abandoned a position depended from case to case on the respective majorities. Only in cases where countries had a clear political order not to concede, they either made a reservation note or the member states and the commission moved more in this country’s direction. In all other cases, Member States and the Commission were bargaining one guideline and one target after the other, with a pragmatic view on majorities among the Member States as well as the commission interests. As it was clear that only the commission could officially amend their proposal, it was clear that the targets with least resistance would remain in the proposal. On the contrary, the commission indeed dispensed the most objected targets.

The EMCO also reached a general agreement on the issue on undeclared work and monitoring obligations with regards to the budget. However, some Member States did not accept this

---

<sup>7</sup> Exceptions only occurred in two areas:

Firstly, as in the previous years, guideline one on activation of the unemployed still had an outstanding character as it is the only guideline where input-targets come into play and the naming of concrete policy measures is supported by the Member States. As in the previous years, Member States didn’t want to weaken their commitment to the active pro-active approach of the EES and therefore only asked for amendments of these targets.

Secondly, the proposed quantitative targets on education were not generally objected as the education-ministers agreed at the same time on quantitative targets at EU-level. Hence, the agreement was that the EES should adopt the targets agreed on by the Education Committee. The Commission therefore had to abstain from quantitative targets at the national level, but got support to include targets on European average.

compromise and gave a scrutiny reservation, i.e. they aimed to deliver this question to a higher level in their national government.

This compromise was formally submitted as an EMCO-opinion to the Commission, who did then circulate an amended proposal to the COREPER, including the compromise reached in the EMCO. Compared to the initial intention of the commission, the number of new quantitative targets was reduced from formerly around 25 targets to some relatively undisputed new ones. However, as the respective policy fields – although without concrete targets – still have a prominent place in the new guidelines, the Commission still has the mandate to put particular emphasis on achievements in these areas.

#### *Final round in the COREPER*

As the dispute on quantitative targets was the question of major concern, Member States had no interests to open up the compromise package in the COREPER again. However, there were still some disputed questions, most and foremost those on undeclared work and on financial reporting obligations. Furthermore the COREPER had to decide to what extent the consultation of the EP, the Economic and Social Committee and the Council of the Regions should be considered. Here, most Member States opted for a consensual strategy, aiming not to call into question the compromise reached in the EMCO. As a consequence, countries gave up their resistance against the undeclared work guideline, although this guideline had no further supporters than Commission and some member state. The same applied to the wording on financial obligations. Although some Member States considered the concrete wording not reflecting the compromise reached at the EMCO-meeting, they finally accepted because of not questioning the compromise at all.<sup>8</sup>

#### **Stage 4: Council Decision**

At the 22<sup>nd</sup> of June, the Council finally adopted the new European Employment Guidelines by unanimity. Resuming the previous process, we have to state that the new guidelines very much have the character of a compromise, as they are the product of intensive bargaining and

---

<sup>8</sup> The European Parliament as well as the other Committees that were asked to give their comments on the commission's proposal only played a minor role in the whole process. For the European Parliaments view, see European Parliament (2003): Legislative Entschließung des Europäischen Parlaments zu dem Vorschlag für einen Beschluss des Rates über die Leitlinien für beschäftigungspolitische Maßnahmen der Mitgliedstaaten (KOM(2003)176 C5-0180/2003 - 2003/0068 (CNS)), for the view of the Economic and Social Committee see Europäischer Wirtschafts- und Sozialausschuss (2003): Stellungnahme zu dem "Vorschlag für einen Beschluss des Rates über die Leitlinien für beschäftigungspolitische Maßnahmen der Mitgliedstaaten": Brüssel den 14./15. Mai 2003, CECE 590/2003.

consultations among the member states and the Commission. The Commission did thereby not manage to anchor a substantial number of more and new quantitative targets in the guidelines due to the substantial opposition of the Member States. However, compared to the former years, the Commission could open at least some more gateways for member state critique. In how far the Commission is able to make use of them could be subject of subsequent research.

#### **IV. Conclusions**

This paper provides a detailed analysis of the formulation of the 2003 Employment Guidelines and the strategic behaviour of the actors involved. The question of major concern was whether developing the new guidelines was a predominantly deliberative process, or whether it was shaped by interest conflicts and power-relations. In this context, it was to see whether the formulation of the guidelines was dominated by the Commission, using its agenda-setting power, or of it fits more in the row of intergovernmental decision making via intermediate bodies such as the EMCO.

As the analysis shows, the process of formulating the employment guidelines 2003 disclosed the diverse institutionally derived self interests of the member states and the commission. Whereas the commission intended to anchor a significant number of new quantitative targets in the guidelines, most of the Member States stood in sharp contrast to that. The Commission saw in new quantified targets a strengthening of commitment to the strategy. Contrary, most of the Member States saw in new targets the opposite of the declared aim to simplify the strategy as a whole. Most likely, the commission saw in more targets the opportunity to give more concrete recommendations to the member states, whereby the Member States aimed to avoid more gateways for commission's interference.

What the case study showed is that the Commission aimed at making intense use of its agenda-setting power to anchor the targets in the new guidelines, against the declared preferences of most Member States. The Commission thereby followed at no point a passive strategy following the path of least resistance. Instead, the Commission made full use of its ability to propose the piece of legislation closest to its preferences. However, as it came to the decisive meetings in the treaty-based Employment Committee (EMCO), the commission and the Member States had to find an agreement on the new guidelines, as non-agreement would neither serve the commissions nor the Member-States' interests. As the consultations showed, the Commission found no

qualified majority for their major interest, namely the strengthening of the strategy via the implementation of more quantitative targets. Consequently, it was rational to give up most of the targets. As the Commission's proposal was the basis for the discussions in the Employment Committee, these discussions in fact helped the Commission to sort out the position that was closest to its preferences and would still reach a qualified majority in the Council, although the result was rather disappointing for the Commission. In that way, the Employment Committee in fact served as a kind of deliberative institution between the Commission and the Member States that helped both the Commission and the Member States to find a compromise on the new guidelines. However, these consultations had more the character of interest-driven bargaining than result-open deliberation.

Although a single case study is not enough to give a general statement on the character of the consultation procedure in case of the OMC and the EES in particular, the paper sheds light on a rather underexposed aspect of the EES. Further research should take the findings into account and put greater emphasis on actor's interests and the use of their institutionally derived power.

## References

- Beyers, J. and Dierckx, G. (1998): The Working Groups of the Council of the European Union: Supranational or intergovernmental Negotiations, In: Journal of Common Market Studies, 36 (3), 289-317.
- Council of the European Union (2003): Beitrag zum Thema Zukunft der Europäischen Beschäftigungsstrategie (EBS) für die Frühjahrstagung des Europäischen Rates: 6802/03.
- Crombez, C. (Ed.) (2001): The Treaty of Amsterdam and the co-decision procedure, Manchester University Press: Manchester.
- de la Porte, C. and Pochet, P. (Eds.) (2002): Building Social Europe through the Open Method of Co-ordination, PIE Lang: Bruxelles.
- Eberlein, B. and Kerwer, D. (2002): Theorising the New Modes of European Union Governance, In: European Integration online Papers (EIoP), 6 (5).
- Employment Committee (2002a): Chairman's Summary of the informal meeting of the Employment Committee in Palma de Mallorca, 7-8 February 2002
- Employment Committee (2002b): Chairman's summary of the meeting of the Employment Committee, 6th June 2003
- Employment Committee (2002c): Opinion of the Employment Committee on the future direction of the European Employment Strategy.
- Employment Committee (2003): Opinion of the Employment Committee on the future of the European Employment Strategy, Brussels, February 2003.
- Europäischer Wirtschafts- und Sozialausschuss (2003): Stellungnahme zu dem "Vorschlag für einen Beschluss des Rates über die Leitlinien für beschäftigungspolitische Maßnahmen der Mitgliedstaaten": Brüssel den 14./15. Mai 2003, CECE 590/2003.
- European Commission (2002): Tacking stock of five years of the European Employment Strategy: Brussels COM (2002) 416 final 17.07.2002.
- European Commission (2003a): The future of the European Employment Strategy (EES). "A strategy for full employment and better jobs for all". Brussels COM (2003) 6 final 14.01.2003.
- European Commission (2003b): Proposal for a Council Decision on Guidelines for the Employment Policies of the Member States, Brussels COM (2003) 176 final 08.04.2003.
- European Council (2000): Lisbon European Council. Presidency Conclusions., In.
- European Council (2002): Barcelona European Council. Presidency Conclusions.
- European Council (2003): Brussels European Council. Presidency Conclusions.

- European Parliament (2003): Legislative Entschließung des Europäischen Parlaments zu dem Vorschlag für einen Beschluss des Rates über die Leitlinien für beschäftigungspolitische Maßnahmen der Mitgliedstaaten (KOM(2003)176 C5-0180/2003 - 2003/0068 (CNS)).
- Ferrera, M., Maatsaganis, M. and Sacchi, S. (2002): Open Coordination against poverty: the new EU "social inclusion process", In: *Journal of European Social Policy*, 12 (3), 227-239.
- Garret, G. and Tsebelis, G. (1996): An Institutional Critique of Intergovernmentalism, In: *International Organization*, 50 (2), 269-299.
- Golub, J. (1996): State Power and Institutional Influence on European Integration: Lessons from the packaging waste directive., In: *Journal of Common Market Studies*, 34 (3), 313-340.
- Hanson, B. T. (1998): What happened to the fortress Europe ? External Trade Policy Liberalization in the European Union, In: *International Organization*, 52 (1), 55-85.
- Hartwig, I. and Meyer, C. (2002): Towards Deliberative Network Governance ? Theorising Socio-Economic Policy Coordination in the European Union.
- Hayes-Renshaw, F. and Wallace, H. (1997): *The Council of Ministers*, Macmillan: Houndmills.
- Hemann, A. (2002): Kommentar zu den Artikeln 125 bis 130 EGV, In: *Handbuch des Europäischen Rechts*, 434. Lieferung - November 2002, Titel VIII, I A 54 a.
- Hodson, D. and Maher, J. (2001): The Open Method as a New Mode of Governance: The Case of Soft Economic Policy Co-ordination, In: *Journal of Common Market Studies*, 39 (4), 719-746.
- Jacobssen, K. (2001): Employment and Social Policy Coordination. A new System of EU Governance, SCANCOR Workshop on Transnational Regulation and the transformation of states, Stanford, 22-23 June 2001.
- Jacobssen, K. (2003): Integration by Deliberation ? On the Role of Committees in the Open Method of Co-ordination, The Foregoing of Deliberative Supranationalism in the EU, Florence, 7-8 February 2003.
- Lord, C. (2003): The European Parliament in the Economic Governance of the EU, In: *Journal of Common Market Studies*, 41 (2), 249-67.
- Nugent, N. (1999): *The Government and Politics of the European Union*, Palgrave: New York.
- Ostrom, E. (1986): An Agenda for the study of institutions, In: *Public Choice*, 48 (1), 3-35.
- Scharpf, F. (1985): Die Politikverflechtungsfälle. Europäische Integration und Deutscher Föderalismus im Vergleich, In: *Politische Vierteljahresschrift (PVS)*, 26 (4), 323-356.
- Scharpf, F. (1997): *Games Real Actors Play*, Westview Press: Boulder.
- Scharpf, F. (2002): The European Social Model. Coping with the Challenges of Diversity, In: *Journal of Common Market Studies*, 40 (4), 645-670.
- Schmidt, S. K. (1998): *Liberalisierung in Europa. Die Rolle der Europäischen Kommission*, Campus: Frankfurt a.M.

- Schmidt, S. K. (2001): A constrained commission: informal practices of agenda-setting in the Council, In: The rules of integration. Institutionalist approaches to the study of Europe (Eds, Schneider, G. and Aspinwall, M.) Manchester University Press: Manchester, pp. 124-146.
- Spanish Presidency (2002): Spanish Presidency Summary of the informal Meeting of Employment and Social Policy Ministers in Burgos.
- Steinle, C. C. (2001): Europäische Beschäftigungspolitik, Ducker & Humboldt: Berlin.
- Steunenberg, B. (1994): Decision Making under Different Institutional Arrangements: Legislation by the European Community, In: Journal of Institutional and Theoretical Economics (JITE), 150 (4), 642-669.
- Tsebelis, G. and Garret, G. (1997): Agenda Setting, Vetoes, and the European Union's Co-decision procedure, In: Journal of legislative studies, 3 (3), 74-92.
- Tsebelis, G. and Krepel, A. (n.Y.): The History of Conditional Agenda-Setting in European Institutions.
- Umbach, G. (2003): Employment Policies in Germany and the United Kingdom. The impact of Europeanisation Anglo-German Foundation for the Study of Industrial Society.