

**Peer Review of Labour Market Policies
in the European Union:
what can countries really learn from one another?**

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Peer Review of Labour Market Policies in the European Union: what can countries really learn from one another?

This article analyses attempts to promote the diffusion of active labour market policies (ALMP) across the member states of the European Union. Under a peer review programme, member states are encouraged to host visits from other countries to review policy approaches and policy measures whose success they wish to publicise. The article examines the extent to which reviewers feel that they have learnt and whether they consider any aspects of the programmes they have examined to be transferable. Whilst there is evidence at EU level of policy convergence through the adoption of certain labour market targets, there is little evidence either of systematic learning or of significant efforts at emulation. Some explanations for failure on the first count might be found in more general impediments to organisational learning. Some explanation for failures on the second count might be found in perceptions of major cultural and institutional differences between countries. Proposals are made for improvement of the peer review programme, especially its transformation from an exclusive to a more inclusive process.

Keywords:

Peer review; policy learning, policy transfer; policy convergence; active labour market policy; organisational learning; European Employment Strategy

In recent years, “policy learning” and “policy transfer” have provided an increasingly popular framework in which the process of policy diffusion. The terms “learning” and “transfer” are taken to refer to “a dynamic whereby knowledge about policies, administrative arrangements or institutions is used across time or space in the development of policies, administrative arrangements and institutions elsewhere” (Stone 1999, p51). The significance of learning, and an interest in the potential for transfer, has burgeoned, as governments and international organisations, such as the European Union, attempt to harmonise policy approaches.

Numerous reviews of the literature on policy transfer and related aspects now exist (Dolowitz and Marsh 1996; Dolowitz and Marsh 2000; Rose 1993; Stone 1999),

and attention has come to focus on the applicability of the concepts to specific policy areas. The ESRC, for example, has financed a programme on 'The Future of Governance' that embraces around 30 projects, designed to illuminate aspects of policy learning and transfer across a wide range of areas, including health, housing, constitutional law and tax compliance (<http://www.futuregovernance.ac.uk>). With the gradual accumulation of case study material, it has also become fruitful to theorise about learning and transfer, by modelling it at different levels (Evans and Davies 1999; Orenstein, 2003) and by examining the conceptual confusions from which the literature allegedly suffers (James and Lodge 2003).

Here, we analyse the diffusion of active labour market policies (ALMP) across the member states of the European Union as a result of a peer review programme explicitly designed to promote the transfer of "good practice". This peer review programme provides an ideal setting to evaluate the application of the concepts and methods that can be drawn from the policy review literature. It also allows us to test the extent to which learning and/or transfer actually occurs. By defining the scope of the policy under review – as we do in the next section – it should be possible to track the degree to which use is made of the experiences of others and to which specific programmes or measures can be exported to another jurisdiction.

Our focus is specifically with "policy convergence" in the context of the European Employment Strategy (EES). We look for evidence both as to whether its peer review programme, by encouraging member states to learn more about the policy approaches and policy measures operating in other countries, has contributed to policy emulation or harmonisation. We also look at whether it is typified by elite networking or by penetrative processes that involve external actors (Bennett 1991). Our analysis reveals major barriers that impede policy learning, let alone transfer. We argue that, to date, the peer review programme has tended to be exclusive, involving a narrow "epistemic community" (Haas, 1992) and has had scarcely any impact upon either the Commission or the governments of the member states. Some of the reasons for this failure are explicable in terms of more general factors that impede organisational learning. Moreover, we show that the peer review process has barely, if at all, touched other actors foreseen as key to the workings of the EES – the social partners, civil society organisations and sub-national governments. Learning might take place, but it is ad hoc and often outside the formal, systematic process that the EES sought to establish. We conclude with some proposals for

improvement.

THE PEER REVIEW PROGRAMME OF THE EES

The introduction of an “employment chapter” in the Treaty of Amsterdam in 1997 was a recognition that the priorities of EU social policy had been extended from a concern with individual worker rights, or collective worker entitlement to information or consultation, to a concern with the improvement of employment opportunities and a reduction in unemployment. The EES laid down a way by which this was to be achieved. Active labour market policies had an important role to play.

Under the terms of the EES, the Council, each year, was to promulgate a series of “guidelines” exhorting action under a number of headings and, as appropriate, setting targets that member states should try to achieve.¹ In response to this, each member state was required to submit a National Action Plan for Employment (NAP) that outlined the programmes it was pursuing and commented upon their impact. One of the purposes of the production of the NAP, and of its circulation, was to improve the information about other countries available to any one member state. However, in so far as governments were also encouraged to highlight programmes that they considered innovative or particularly successful, the NAPs were also a means of disseminating good practice.

The Commission evaluates each NAP, and this evaluation, itself, includes an element of peer review. The first step of the evaluation is a two-day meeting held in Brussels at which each country briefly presents its NAP. Other countries can use this opportunity both to learn about what is being done and to ask questions. However, two countries are briefed in advance to lead the questioning. This peer reviewing session, which is not the subject of the current paper, is sometimes referred to as the “Cambridge process”. Subsequently, the Commission organises a series of “bilateral” meetings with the member states. At these, a draft of its Joint Employment Report is discussed. The Commission’s interlocutors are civil servants from the relevant ministries and also, in some countries, representatives from social partner organisations. The “bilaterals” serve as an opportunity to elucidate aspects of the NAP, but

¹For the five years, 1998-2002 inclusive, the guidelines were arranged under four standard “pillars”: employability, entrepreneurship, adaptability and equal opportunities. These pillars were further subdivided so that, in the 2002, there were 18 “vertical” guidelines. In addition, there were six overarching, or “horizontal” guidelines (see, for example, CEC, 2002a). The procedure was somewhat simplified in late 2002 so that now there are 10 major guidelines – sometimes referred to

also to negotiate around any “recommendations” that the report will contain. The completed Joint Employment Report is endorsed by the Council and is used as the basis for making amendments, if necessary, to the employment guidelines.²

The EES, or rather the “Luxembourg process” (after the initial, special EU summit at which the first guidelines were drawn up), combines “soft” with “hard” law elements. The former, which can include the use of benchmarking, target-setting, periodic reporting, multilateral surveillance, the exchange of best practice, or some combination of these, are taken to characterise what is now referred to as “the open method of coordination” (OMC). The “Luxembourg process”, however, differs from the subsequent OMC processes – on social exclusion, pensions, or health – in that it is “treaty-based” rather than the product of Council decisions. It has some similarity with the “Maastricht process”, whereby the broad economic policy guidelines were established, and, like the latter, it contains no sanctions against those who fail to follow up recommendations or to meet targets.³ The only way in which both, or the other OMCs, can achieve compliance is if member states can be moved to conform as the result of “peer pressure”, whilst one of the ways in which all can contribute to convergence is if “best practices” are generalised. With respect to the EES, the peer review process, whereby specific labour market programmes were to be studied by other member states, was one of the ways in which convergence might be achieved.

THE PEER REVIEW PROCESS

Article 129 of the Amsterdam Treaty itself encourages initiatives “aimed at developing exchanges of information and best practices, providing comparative analysis and advice as well as promoting innovative approaches and evaluating experiences”. Under the terms of this article, the Commission has requested member states both to host reviews of their own review programmes and to visit the programmes presented by other member states. This learning is the peer review programme with which our article is concerned. To date, there have been two rounds of peer review. The first took place over the years 1999-2001. The second, which started in early 2003, is planned to run until the end of 2004. In the first round, 26 programmes were presented by 13 of the 15 member states, with each

as “the 10 commandments” and three “overarching” guidelines (see CEC, 2003b).

²Such amendments, and additions, were an annual occurrence in the past. The “guidelines” set down in 2003 are intended to be less detailed and to be held more or less constant over any three year period.

³The only OMC-like process that does involve sanctions is the Stability and Growth Pact that imposes fiscal deficit targets on Eurozone members. Given the events of late 2003, it is questionable whether even these are enforceable.

review attracting between two and nine member states as visitors. In total there were 122 separate visits and these are detailed in the Annex.⁴ In the second round, 13 reviews, offered by eight countries, have been scheduled so far for completion. Here, we examine, primarily, the experiences of the first round.

Each visiting country sends along two reviewers – a government official, usually from the ministry of labour or a related agency, and an “independent expert”, usually an academic or a member of a research institute or consultancy. Representatives from the Commission also attend. The peer review process is conducted entirely in English. In advance, the host country and an independent national expert produce preliminary explanations and evaluations of the programme. The review, itself, takes place over two days, and usually involves “site visits” (the only occasion where interpretation can be offered – for presenters). Subsequently, the body responsible for the overall organisation of the peer review process – an independent research consultancy – writes up a report. This is cleared with participants before release. The final report outlines the labour market programme under review and explains its design, implementation and funding. Next, it analyses the results of the programme and any obstacles and challenges that face it. Last, it identifies issues of special interest to the reviewing countries and discusses the potential for transfer to other countries, here drawing from the comments made by the reviewers. The final reports are published on a dedicated web site, independent of the Commission (<http://peerreview-employment.org>), and they provide a rich source of information that can be used to examine how one of the “soft” elements of policy to encourage coordination works in practice.

Our analysis is based on the peer review reports for the first round, on an evaluation of that round carried out by the organising consultancy (Evaluation, 2001), on the Commission’s wider evaluation of the EES after the first five years of its operation (CEC, 2002b), and on interviews in 10 member states with government officials responsible for reporting aspects of the EES, especially the construction of the NAPs, with independent experts who have participated in reviews and with officials of the Commission.

The programmes reviewed

⁴ Not included amongst the total of reviewers are two non EU countries – Bulgaria and Norway. The former, a candidate country, visited two reviews, the former, one.

We were able to establish three reasons why a country might offer to host a review. First, it may wish to promote what it considers the right approach to a problem. Second, it may seek ideas for further improvement of a programme it has developed. Third, it might be trying to balance internal interests, as when a programme sponsored by one ministry has been proposed and another ministry wishes to show that it, too, is making a contribution, or, in federal countries, where a programme based in one region has been profiled and another region wishes to show that is playing its part. As the Annex shows, the average number of reviews hosted in the first round was rather under 1.7, but the modal number was three. All member states, except for Greece and Luxembourg, hosted at least one review. The “large” countries tended to offer three, but so, too, did two “small” countries – Denmark and Finland.

We were able to establish some four reasons why a country might wish to review another country's programme. First, it might wish to analyse that other country's approaches to a challenge that it, itself, was facing or was likely to face. Second, it might wish to learn about a particular aspect of programme, or even about a particular technique (such as evaluation). Third, it might wish to use the opportunity of being a reviewer to promote its own programmes and approaches. Last, it might wish to be seen to be “playing the game” – to be seen as an enthusiastic supporter of the EES and of the OMC approach. It is interesting to note that Greece and Luxembourg, the two countries that hosted no reviews, were the most prolific participants in the reviewing process (each attending 11), and they were followed by Austria and Finland (10 each), two of the three countries which had joined the EU as late as 1995.

Whilst countries can be “clustered” according to a mix of culture, history and politics (see, for example, Yair, 1995), there seems little indication that countries in any one cluster either favoured others within that “cluster”, or looked up to, or down upon, those in another cluster as a source of from which experience might be drawn or lessons might be learnt. Nor was there any indication that countries were encouraged by the Commission to attend reviews to improve their performance. Participation was always stressed as voluntary. Moreover, although in late 1999, the Commission had started to formulate “recommendations” for individual member states, most, if not all, of the first round of peer reviews had been organised by that time. Last, there is an interest in maintaining relatively small numbers of reviewers. The suggestion has been

made by those involved in the organisation of the review process that, if anything, reviews involving more than about half a dozen reviewing countries become unwieldy.

Nonetheless, we suggest that the decision to take advantage of the learning opportunities on offer was sometimes rather arbitrary. In the course of our interviews in ministries of labour, we encountered a certain vagueness on the part of those to whom we spoke about the criteria according to which any visits had been made. This seemed to be the consequence of a rather decentralised decision making process. Involvement in the workings of the EES involved not only a number of departments and agencies within the labour ministry, but also a number of other ministries (education, in the case of lifelong learning). The impression we obtained was that learning via the peer review programme was an ad hoc, rather than a strategically managed, process.

WHAT WAS DEEMED POTENTIALLY TRANSFERABLE?

One of the reasons why countries wish to learn about other the experiences of other countries is to assist them in designing their own policies. They might go further and consider whether programmes about which they have learnt, or at least aspects of these, could be transferred to their own countries. They might also learn from the mistakes of others, in other words, learn what not to do, or what they should not attempt to transfer. Each peer review report summarises the observations made by reviewers on what they learnt and what they thought might be, or might not be, “transferable”.

The academic literature on convergence and transfer is concerned with policy goals, policy content and policy instruments as well as policy outcomes. It is interested in the perspectives or ideologies that influence policy, as well as the means by which policy is implemented (Bennett 1991, Dolowitz and Marsh 2000). The EES, itself, through its setting of commonly agreed “guidelines” sets a number of policy goals. To a certain extent, particularly through its emphasis on “employability”, the strategy also reflects a “supply side” ideology. In this respect, a degree of convergence has already been achieved. The peer review programme was not intended to be an opportunity to question the general principles of the EES, rather to be an opportunity to learn how that Strategy might be realised. It was concerned to try and find the best way to give effect to the principles contained in the “guidelines”, and to do so with respect to particular challenges – for example, the need to ensure a smooth transition from school to work, to improve the labour market chances of women, or to make it easier to establish and maintain a small

business.

Nevertheless, the way in which any one country attempts to implement the strategy depends very much upon how it interprets the supposedly shared ideology (Bennett, 1991). Nor all interpretations were common. Almost all reviewers of the Finnish national programme for ageing workers [24 – the reference number in the Appendix table] commented favourably on how it mainstreamed the social integration of older people through education, health and labour market policies. Equally, with respect to programmes for vulnerable groups, such as the young or long-term unemployed, most reviewers shared the view that individual counselling had an important role to play. Similarly, three of the four countries reviewing the German programmes for reducing the gender digital divide [26] felt it was at least “highly relevant” to their country or else “wholly transferable”. However, none of the reviewers of the French programme to reduce working time and increase working time flexibility [22] found the approach acceptable – they all saw it as damaging to competitiveness.

There are examples of the peer reviews causing an appreciation of certain meso-level principles. For example, when examining the Portuguese programmes to facilitate the integration of young people [5], the Dutch reviewers were led to ponder on their own schemes for preventive action that were less voluntary and, so, on whether this undermined attempts to encourage young people to take their own initiatives in seeking or preparing themselves for work. Indeed, there were a number of examples where it appears as if reviewers, and the reviewed, used the review process as a kind of policy forum to air ideas, test opinions and gain critical feedback on existing or proposed policies. Here, the learning experience for those involved could be quite intense, and the opportunity for transfer was, potentially, substantial.

Nevertheless, most reviewers were concerned less with the broad principles of a programme than with specific aspects of it. Thus, whilst almost all subscribed to the motivation of the Swedish programme promoting women as entrepreneurs [12], most focused on the role of women advisors in the programme, the development of an electronic network to support it, its long-term nature and its built-in system of evaluation. Similarly, when the Italian programme for reducing administrative burdens on business [16] was reviewed, what was of special interest for reviewers was the use of “one stop shops” for those seeking initial advice, and of an internet system through which new

enterprises could be registered and existing enterprises could comply with self-reporting requirements. In such cases, it could be argued that the initial policy has become so decontextualised that what is being gained from the review process is little more than “good ideas”. The same might be said with respect to the UK's programme for young people [3]. It received the approbation of the Swedish review because one of its objectives was the promotion of accredited qualifications for programme participants.

AND WHAT IS DEEMED AS UNLIKELY TO BE TRANSFERABLE?

There are clearly many cases where member states do not wish to transfer any part of the active labour market programmes they visit. One reason for this is that the programme is inappropriate for their own labour markets, or that they fear it could be inappropriate in some future labour market. An example of the first ground for rejection was given by the Greek reviewers of the Danish programme for long term unemployed people involving compulsory work experience [7]. They argued that such a programme would be unworkable at home because there were simply no jobs available in which participants could be placed. An example of the second ground for rejection was given by all the reviewers of the Belgian youth unemployment programme that set quotas for enterprise to provide training or work experience places [9]. They argued that, whilst such a programme “works well during a period of growth, ... is likely to be more difficult for firms to apply in the event of recession or stagnation”.

A second reason for rejection is simply that the programme is irrelevant. All but one of the four reviewers of the Irish programme on sustainable competitive advantage [18] claimed that they had no problems with sources of venture capital, so that that particular aspect of the programme had little interest for them.

Last, a programme might be held to be interesting but not convincing. Reviewers of the Finnish programme for ageing workers [24] remarked that it “had hopped on to a moving train”. They claimed that it was still too early to identify results that derived from the programme and that the observed improvement in older people’s position on the labour market would have resulted from the upturn the economy had been experiencing. On other occasions, too, reviewers preferred to await fuller evaluation before deciding on the merits of an approach – an example was the Austrian reviewers with respect to the British lifelong learning programme [20].

There were, however, a number of more specific constraints to transferability that reviewers identified and these deserve a special mention.

Institutional constraints

Peer reviewers frequently referred to a battery of institutional constraints – in the form of their country's legal, industrial relations, political, social security or tax systems – that might require overhaul if a particular programme were to be transferred. Here, we are analysing the “match” between a labour market programme and the suitability of the institutional setting into which it would be transferred. There are a range of theories that examine the mediation of policy making through institutions, but a broad definition, involving stable patterns of behaviour, has to include reference both to “formal rules, procedures or norms” and to “symbols, cognitive scripts and moral templates” (Hall and Taylor, 1996, p947). The complexity of these relationships is likely to make it difficult simply to transplant a programme, if that programme had been engendered in a different institutional environment.

In some cases, the problem may be a lack of the relevant supporting infrastructure. The French programme to enhance access to employment for young people in danger of exclusion [11] relied, for its delivery, on “local missions” – a network of information and resource centres for young people. Both the Danish and the Finnish reviewers noted how the programme was embedded in this element of French institutional life and how it would be unrealistic to set up similar centres in their home countries.

Diverging legal frameworks are frequently cited as barriers to transfer. For example, the French reviewers, in commenting on the Danish programme on social responsibility of enterprises [10], pointed out that, in France, policies on disabled workers, collective redundancies and working time were based on laws, whilst in Denmark they were based upon voluntary arrangements, particularly on collective agreements. In the same way, the Luxembourg reviewers, discussing the Danish programme for long-term unemployed people [7], commented that flexible labour legislation in Denmark meant a relatively high level of labour turnover, and hence a continual supply of vacancies for those who had been through “activation” measures. Their country, by contrast, had stricter laws on hiring and firing, and so there would be less chance of programme participants finding work. The relevant laws, they could scarcely consider changing.

Closely linked to legal frameworks are systems of industrial relations. Patterns of “social partnership” differ significantly between countries. A further ground on which all the reviewers rejected the French programme on working time reduction and flexibility [22] was that it involved the law setting working time. Such matters, they maintained, should be left to negotiations between the social partners or employers and individual employees. The Danish, French and Italian reviewers of the British lifelong learning programme [20] noted that it did not fit into their systems of industrial relations where the social partners were given an important role in regulating training. Likewise, the Portuguese reviewers of the Dutch “flexicurity” programme [23] commented that “a new form of dialogue between the social partners” would be necessary before it could consider transfer. Also referring to industrial relations norms, the French reviewers rejected the same programme, since it involved the promotion of fixed-term employment contracts. This, they argued, was form of employment that the French government would not wish to see expanded.

A further institutional factor centres on social security systems. The Spanish reviewers of the Danish and British youth unemployment programmes [2/3] observed that these combined activation measures with reductions in benefit for any individual who refused to participate. In their own country, however, young people who had never worked did not even have access to social assistance. As a result, the “stick” implicit in these programmes would have no effect. Similarly, the Portuguese reviewers of the Danish programme for the long-term unemployed [7], which also obliged participation, pointed out that such an approach would not work in their country because unemployment benefits were so low. The Dutch reviewers maintained that it would be impossible to cut unemployment benefits and reduce welfare benefits to those refusing to work, since these were already close to the minimum wage and there already existed “a sort of poverty trap”. Equally, the Luxembourg reviewers doubted whether the Austrian programme to help disabled people back into work [6], would be acceptable in their country. Their programmes were “social assistance based” (i.e., intended to provide disabled people with at least a minimum level of income) rather than “labour market policy based” (i.e., intended to enable disabled people to support themselves through work). They felt that attempts to introduce the Austrian approach “would probably meet with considerable resistance”.

Political structures also play a part in impeding what appear to be successful approaches

from being adopted elsewhere. The Italian “one-stop shop” approach to establishing businesses [16] appealed to the German peer reviewers who recognised the multiplicity of agencies involved in their own country. However, the German federal government lacks any jurisdiction over these agencies. They are responsible to the state governments, and the federal government cannot oblige the latter to adopt any particular approach. The Belgian reviewers of the Finnish national programme for ageing workers [24] also noted that federal nature of their country and suggested that the “ensuing dispersion of competences concerning economic, employment and social issues” was the “main obstacle to transferability” of the sort of initiatives they had learnt about. Even in non-federal countries, political structures could be important. The Dutch reviewers of the UK's life-long learning programme [20] rejected its centralised approach because their country had been trying to decentralise labour market policy with respect both to decision-making and to delivery systems. They argued, “foreign systems cannot be imported”.

Attitudinal constraints

Reviewers sometimes referred to attitudinal constraints that would be difficult to overcome. For example, the Belgian reviewers of the Danish programme of social responsibility of enterprises [10] told how there had been discussion in their country about inserting “social clauses” into public procurement contracts. These were to be phrased in a similar way to those found in Danish law. However, they emphasised the need for “wholesale cultural change”. Employers and unions would need to accept the concept of corporate social responsibility because it would bring benefits from improvements in work organisation and company performance, and not because it provided access to public subsidies.

To varying extents, the Belgian, Greek, Portuguese and Spanish reviewers of the Swedish programme on women entrepreneurs [12] commented on how existing attitudes to women at work might undermine attempts to adopt a similar programme in their countries. The Greek reviewers pointed out that one of the major barriers in their country was “the image of female entrepreneurship”. They went further, saying that “a lot of cultural differences exist as well, which might need attention first before thinking about implementing the ... programme” at home.

Administrative and financial constraints

Last, there were occasions when administrative bottlenecks were considered a problem. Both the Finnish and the Italian reviewers of the British lifelong learning programme [20] noted that it managed to be a unified programme because the same ministry covered both employment and education and training.⁵ However, the Italian reviewers pointed out that, in their country, these were the responsibilities of several different ministries. Because “there is little or no co-ordination between and integration of all institutions involved in the supply of education and training”, there would be difficulties in pursuing a similar programme at home. A similar explanation for difficulty in emulation was given by the Spanish reviewers of the German programme to assist young people into training [8]. Their country had no history of in-house training or of apprenticeships, and there was a lack of co-ordination between the three actors involved in supplying vocational training – the education authorities, the public employment service and the trade unions. Transfer of the German programme would face “administrative, co-ordination and cultural obstacles and is therefore hardly conceivable at the moment”. The Dutch reviewers also referred to the implications that adopting otherwise attractive aspects of the Danish employability enhancement programme [7] would have for its public employment service and social security system. Making the necessary changes would hinder a reform process that was already being undertaken.

Related to administrative bottlenecks were financial constraints. The Greek reviewers of the German programme for youth [8], although appreciating its “breadth” and “flexibility”, were concerned about the burdens that implementing such a measure would put upon the employment offices and about the costs of providing such intensive services. Equally, whilst there was generalised approval of the intensive counselling approach of the Danish and British youth employment programmes [2/3], the Swedish reviewers recognised that this would be expensive. The merits of incurring such expenses would require assessment. All reviewers expressed concern about costs when considering the Portuguese programme for training in micro- and small enterprises [19], not least because it was largely financed by the European Social Fund, and they did not have access to this resource to anything like the same extent.

⁵ Subsequently, this ceased to be the case. Ministries were reorganised so that one became responsible for work and pensions and another for education and skills.

HOW MUCH WAS LEARNT?

Even in those cases where peer reviewers enthusiastically endorsed policies and felt that there were aspects of them that could be transferred, the lessons that they learnt had to be communicated to the relevant actors in their home countries. However, in our interviews with government officials, social partners and independent peer review experts, we found a high level of inertia. Little or no diffusion occurred. A corollary of the peer review programme being largely unknown was that any reports issued under it were also unknown. To understand why this has been the case, the literature on “organisational learning” (see, particularly, Berthoin Antal et al, 2001) can offer some guidance. In this, three sets of barriers to such learning that help to explain the pitfalls of the peer review process can be identified.

The first barrier manifests itself through “interrupted learning processes”. These refer to breaks in the linkages between individuals’ understandings and organisational action. In the case of the peer review programme, reports are written up and posted on the internet. However, their circulation within national labour ministries, let alone between these and other relevant ministries and agencies, has been very poor. The website is not advertised; many of those to whom we spoke did not know it, even if they knew, vaguely, of the peer review programme itself. Moreover, we detected not one instance of a seminar or reporting back meeting being held or of any special paper being produced by a government reviewer for his/her colleagues, let alone for a wider, domestic audience such as the social partners.⁶ One reason for “interruption” might be the relatively junior status of some of the officials sent as peer reviewers. Another might be a lack of continuity – rather than repeatedly sending the same “generalist” for a series of visits, ministries send the relevant “experts” on one-off visits. With respect to yet wider dissemination, even the evaluation carried out by the organisers of the peer reviews acknowledges, “this does not go beyond the participating countries. This means that Member States that have an interest in the policy but which did not participate in the peer review are not being reached currently by the outputs of the ... programme” (Evaluation 2001, pp11-12).

⁶ The evaluation (Evaluation, 2001) reports (p2) that “dissemination of the outputs of peer reviews by peer and host country participants following each peer review is taking place, including to key political actors. Colleagues and important actors in Ministries, public employment services, social partners, regional authorities and other interested policy makers are receiving some of the documents, either the whole report or the Executive Summary.” However, this finding is questionable, given the low number of responses and the problems of self-selection of respondents – those who had favourable experiences were more likely to respond at all, and, if they did respond, to respond favourably. For more details, see below.

Quite simply, the learning process is not carried through.

The second barrier has its roots in “psychological and cultural” aspects of learning. These include “defensive routines”, “long periods of success” and “subcultures”, all of which may impede success. It was apparent from some of the interviews that we conducted, but could also be inferred from some of the peer review reports, that some actors adopted an ethnocentric approach to policy. Even if they were not always convinced of their own policy approaches, they did not feel that others had much to teach them. In some cases, ethnocentricity was compatible with participation in the peer review process, but only in so far as the latter gave the opportunity to vaunt the merits of their own country’s approaches or measure. Indeed, there is considerable evidence that success can act as a “learning trap” – it can lead to an exploitation of existing approaches at the expense of an examination of new ones. Examples of where a subculture may hinder learning include rivalries between ministries – such as those between labour and education or finance ministries. However, they can also include rivalries within ministries – reviewers, who come from departments responsible for “international” or “European relations” may themselves be treated as of little importance by those from “mainstream”, or policy, departments.

The third barrier is that created by “organisational structures” and “leadership”. There is some evidence that centralised, mechanistic structures, like government ministries, tend to promote routinised behaviour patterns. Indeed, it is not unreasonable to suggest that most of the ministries we studied have yet to come to grips with the potential of the peer review exercise. This would explain the absence of formalised diffusion procedures. Related to what happens in individual countries is what happens at the centre. The official at the Commission responsible for peer review in the first stage of its operation did not encourage dissemination beyond that provided through the website. Nor was the Commission able to overcome a hiatus in the review process that lasted from autumn 2001 to the start of 2003 (the gap between the first and second round of reviews) that was consequent on the exhaustion of the first budget allocation and the coming on stream of the second.

This is not to say that there was no interest in learning at all. We encountered cases of informal learning – that is, of learning outside the EES peer review process. Countries faced with a particular challenge might arrange study visits to a particular country, either

in Europe or beyond, when they felt there was experience from which they might benefit. Indeed, such attempts to acquire information were not uncommon. Moreover, even if the peer review programme, or the NAPs were not familiar to some respondents, other sources were. Here reference was made to the Commission sponsored MISEP (Mutual Information System on Employment Policy), to contacts established at regular and ad hoc meetings organised by the Commission and by the OECD and, with respect to the social partners, to encounters at meeting of organisations such as the ETUC and UNICE. The point about such learning, however, is that it is ad hoc.

HOW MUCH WAS TRANSFERRED?

The five-year review of the EES is relatively confident that there has been a degree of policy convergence that can be attributed to it. Whilst it concedes that it is difficult to establish how much of the overall improvement in employment over the years in question can be attributed to the strategy, it feels able to assert that “there have been significant changes in national employment policies, with a clear convergence towards the common EU objectives set out in the EES policy guidelines” (CEC, 2002b, p3). It even attributes some of this to the peer review programmes, claiming that, together with the “annual reporting and monitoring” processes, it has led to increased and more thorough *exchanges of information* between Member States”, and enabled them “to evaluate the transferability of good practices” (ibid, p15).

This last assessment, whilst not directly attributed to the special evaluation of the peer review process was, no doubt, based upon it. That evaluation was carried out in late 2001 by the organisers of the peer review programme and draws primarily from a survey of people closely involved in six reviews [4, 5, 16, 22, 23 and 24]. According to the evaluation report, “in many cases the reviews appear to have stimulated follow-up. The policies presented have been discussed in Ministries, public employment services, social partners and regional bodies. In some cases, bilateral exchanges between the host and peer country, or with other Member States, have taken place following a peer review. Other follow-up activities have included ad hoc institutional meetings, the planning of a seminar, reports of the programme and discussions on improvements and adaptations” (Evaluation, 2001, p3).

Closer examination of the report suggests that this is something of an overstatement. Of the reviewers who were from government (i.e., were not “experts”) who were surveyed

about the peer review programme, only seven, from what might have been as many as 35, reported that there had been an influence of reviews on new programmes, or on the adoption of existing programmes, in their countries. Even here, what was meant by “influence” or “adaptation” was less than fully clear. The report (p19) quotes some of the responses, which are in terms of: “[the programme] has influenced my thinking”; “other countries solutions were taken into account”; “our aim is to follow up the results of the ... programmes in the next few years”; “[there was] discussion on/about [the programme]” or its “results”, “[our own programme] was given confirmation by [the programme reviewed]” and “[there are] lessons to be learned from the programme”. The apparently most positive quote states that “[our programme] contains some ... aspects [of the programme reviewed]”, but the report does not make clear whether these “aspects” were included as a result of the review. Indeed, the last might have been no more than a comment. The evaluation concedes that “some” of the reviewers, whether or not the same ones, also said that it was “too early to say if the peer review and follow up had any effect on policy reformulation or development”. To maintain a positive gloss, it quotes one reviewer’s comment that “even when there is no adoption of a new policy, some elements of the policy from another country may be incorporated in existing policies. There may be an influence on policy making, which may be difficult to see immediately” (p20).

The finding that three Employment Committee members – who had not participated in reviews – felt that “the review itself, or the disseminated documents had had an influence on labour market policy in their country in the form of sustained debates or useful hints”, also needs careful interpretation. There are 30 members of this committee (two officials from the administrations of each member state) and all appear to have been asked to comment. Equally, it is difficult to appraise the significance of the claim that six, out of at least 18, host country officials and experts who were potentially involved in the reviews considered, reported that the review had resulted in “the subsequent adaptation and development of the policy that was presented” (p19).

CONCLUSIONS

Our research has investigated how **one** component –peer review – of **one** of the methods – the OMC – the EU member states have used to try and achieve convergence has functioned. With respect to the EES, we have to conclude that, whilst a learning process has been established, its impact has been limited. Although the EES has established

labour market targets, the evidence reveals that member states will rely on homegrown means – administrative, institutional and legal – to meet them. Emulation of policy content, instruments and programmes remains unusual.

The peer review programme, as it operated in the first round was, at best, a learning process for a limited community of labour market technicians and experts. It might have produced a degree of “tweaking” of existing policies, but it hardly acted as a catalyst for policy transfer. Indeed, it might even have taught participants that transfer is seldom an easy option. It established an opportunity for ideas, suggestions and observations to be exchanged, and for the validity and appropriateness of particular policy measures, in particular contexts, to be assessed. In this respect, it provided the forum in which “policy community engages in a shared experience of learning about the problem” (Bennet, 1991, p224). However, it contributed not so much to “emulation”, “harmonisation” or “penetration” of policies, but more to the strengthening of élite networks and policy communities.

In such a forum, it was scarcely surprising that programmes were generally assessed for their “logic of appropriateness” (Knill, 1998). In other words, the extent to which they offer any opportunity for transfer was judged in terms of the whether they fitted into the framework of institutions and financing systems that prevailed in the reviewer’s country. They were judged only within the narrow parameters agreeable to the key policy makers. As has been observed, this means “no more than small or incremental steps - no more than muddling – is ordinarily possible” (Lindblom, 1979, p517).

Our analysis demonstrates that the peer review element of the OMC, as it was conducted under the first round of the EES, is likely to have had little impact. There are, however, some grounds for suggesting that the process will be improved upon. One reason for this is that the Commission official subsequently overseeing the programme was more committed to dissemination than his predecessor. The intention is to use the electronic newsletter of the Employment and Social Affairs Directorate-General to circulate more information about the programme. Moreover, the consultants who run the programme are also attempting to establish an electronic database to notify interested parties about outcomes.

However, to improve the peer review programme further, it will have to be changed from

being an “exclusive” to an “inclusive” procedure. This means not only that the results of the reviews should be diffused more widely, but also that participation in the process should be opened out. To date, the process does not involve either the regions or the social partners as reviewers. They might participate as part of the host team, explaining parts of the programme under review. However, the EES has continually stated their role as formulators, as well as implementers of policy – seeing this as part of the “good governance” of the strategy (most recently, CEC 2003b, p 21) The budget for the peer review programme does not finance the participation of either the regions or the social partners as reviewers. Only once, from one country, have even social partner representatives attended a review – the first review in the second round of the programme. Even then, their presence is not recorded in the report produced. Yet, in that case, their participation had been encouraged by the reviewing country because it provided an opportunity for critical actors to examine the issue in question – workforce ageing and hence early retirement – and, thus, to enrich the domestic debate and take discussion forward.

Of course, enlarging the number of participants has more than simply financial consequences. It could reduce the intimacy of the review and make procedures to date unwieldy. Yet unwieldiness is already threatened by the accession of 10 new members in 2004, all of whom might be keen to learn. The remedy might be to have more than one review of the same programme. It might also be to involve the regions and social partners more closely in a reporting back process in the reviewing countries. Enlargement, whether in the form of an increased number of countries or an increased number of actors, does, of course, raise its own problems. There are limits of the capacity of some actors – particularly of those outside central government – to cope with the language requirements of being a reviewer. There are also limits to the number of potential reviewers available – particularly in the smaller accession countries, but also in NGOs. This lack of capacity, of itself, makes the process exclusive, and until it is resolved it will continue to be exclusive.

Last, it is to be noted that the Directorate-General for Employment and Social Affairs wishes to extend the process of peer review to two other areas of OMC. An invitation to tender for the organising of a peer review programme for the social exclusion OMC was published in spring 2003. This outlined an intention to set up a programme very similar to that that had been operating for the EES (CEC 2003a). Preliminary steps have also

been taken with respect to establishing a programme for pensions. In each case, there are indications that the Commission has sought to learn from the EES experience.

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Appendix table: ALMP programmes reviewed in “round one” (May 1999 to October 2001 inclusive) sorted according to “pillar”

| Ref. No. | Title of programme | Principal focus | Host | Reviewers | Date |
|----------------------------------|--|---|-------------|---|-------------|
| Pillar 1 Employability | | | | | |
| 1 | activation/individual employment service | Promotion of employment rates | Fin | Dmk, Ger, NI | June 1999 |
| 2/3 | youth unemployment/ “New Deal” | Integration of youth | Dmk/UK | Bel, Irl, Spa, Swe (+Bulgaria) | Oct 1999 |
| 4 | “Making Work Pay” | Promotion of employment rates | UK | Aut, Bel, Fin, Irl, Ita, NI | Nov 2000 |
| 5 | “Inserjoven”/“Reage” | Integration of long-term youth and adult unemployed | Port | Gre, Ita, Lux, NI, UK | Jan 2001 |
| 6 | “Arbeitsassistentz” | Integration of disabled people | Aut | Fin, Ger, Lux, NI, Swe, UK | Jan 2001 |
| 7 | Employability enhancement | Integration of long-term unemployed | Dmk | Gre, Fin, Lux, NI, Port | April 2001 |
| 8 | “JUMP” | Integration of youth | Ger | Dmk, Fra, Gre, Lux, Spa | June 2001 |
| 9 | “Rosetta” | Integration of youth | Bel | Dmk, Fra, Lux, Port, Ita | June 2001 |
| 10 | Social responsibility of enterprises | Recruitment/retention of long-term sick, disadvantaged, etc. | Dmk | Aut, Bel, Fra, Gre, Lux | Sept 2001 |
| 11 | “TRACE” | Integration of disadvantaged youth | Fra | Bel, Dmk, Fin, Ita, Lux | Oct 2001 |
| Pillar 2 Entrepreneurship | | | | | |
| 12 | Female entrepreneurship | Promotion of self-employment amongst women | Swe | Bel, Fin, Gre, Port, Spa | May 1999 |
| 13 | “New Services, New Jobs” | Integration of youth unemployment/promotion of “third sector” | Fra | Aut, Fin, Irl, Ita, Port, UK | Sept 1999 |
| 14/15 | Bridging benefits for self-employed | Promotion of self-employment | Ger/Ita | Bel, Gre, Port, UK (+Bulgaria and Norway) | Nov 1999 |
| 16 | “One Stop Shops” | Promotion of small businesses | Ital | Gre, Lux, Swe | Nov 2000 |
| 17 | Territorial employment pacts (TEPs) | Regional/local development | Aut | Fra, Ger, Port | May 2001 |

| | | | | | |
|-------------------------------------|--|--|------|---|------------|
| 18 | “Sustainable Competitive Advantage” | Promotion of home-grown businesses | Irl | Aut, Fra, Swe, UK | Oct 2001 |
| Pillar3 Adaptability | | | | | |
| 19 | Training in micro-enterprises | Promotion of SMEs | Port | Dmk, Gre, Swe, UK | May 1999 |
| 20 | Lifelong learning | Promotion of adult training | UK | Aut, Dmk, Fin, Fra, Ger, Irl, Ita, NI, Port | Sept 1999 |
| 21 | “Agreement on Employment Stability” | Improvement of work flexibility/enhancement of job security | Spa | Gre, Lux | Oct 1999 |
| 22 | Reorganisation/reduction of working | Promotion of work flexibility/job creation, | Fra | Aut, Gre, Ita, Lux, Spa | April 2000 |
| 23 | “Flexibility and Security Act” | Improvement of work flexibility/enhancement of job security | NI | Fra, Gre, Ita, Port, Spa | Oct 2000 |
| 24 | “National Ageing Workers Programme” | Adapting to ageing workforces | Fin | Aut, Bel, Fra, Ger, NI, Spa, Swe, UK | Oct 2000 |
| 25 | “National Workplace Development Programme” | Promotion of organisational innovation/quality of working life | Fin | Aut, NI, UK | Sept 2001 |
| Pillar 4 Equal opportunities | | | | | |
| 26 | “Bridging the gender digital divide” | Promotion of women's employment | Ger | Aut, Dmk, Fin, Spa | Dec 2000 |