

**HOW 'SOFT' PRESSURE FROM ABOVE AFFECTS THE BOTTOM:
EUROPEANIZATION, EMPLOYMENT POLICY AND POLICY (Re)FORMULATION
(The Spanish Case)**

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The Treaty of Amsterdam formalized the idea of a ‘European Employment Strategy’ (EES), a supranational instrument to boost employment rates and European competitiveness. The European strategy is ruled by the ‘Open Method of Coordination’ (OMC), a new regulatory model for developing the EU social ambit that is not legally binding and is voluntary in nature. The establishment of the annual procedure sets an innovative form of European governance for two reasons. First, since the European Community (EC) was created, Brussels did not have any say about the path that national labor market policy should follow. Thus, the process makes, in some way or another, member States accountable to the EU on employment matters. Second, the EES diverges from traditional forms of EU governance (regulations, decisions and directives)¹ by leaving ultimate responsibility for labor market policy in the hands of member States. This EU development could be interpreted by some as a disruption of member States’ labor market policies and institutions. Moreover, some have argued that the pressure from Europe is too ‘soft’ to be felt by national and sub-national institutions, policies and actors.

The launching of the EES begs the question, does the OMC, specifically, the European Employment Strategy, has affected member States’ labor market policy making processes, policies, institutions and actors? If so, how? This paper attempts to answer the former questions, and it proposes a framework to understand how the EES affects policy-making processes on member States. Data are presented to show that the process attached to the EES influences the formulation of employment policy at the national level. It is argued that national civil servants and policy-makers consider the policy paths and the information provided by European Union when they engage in the process of (re)formulating and (re)creating labor market policy in the member States. Thus, the EES provides information about how national policy-makers should frame employment policy at the national and sub-national levels. Information exchange among civil servants and policy makers (at the national and supranational level) permits them to ‘learn’ about potential courses of actions to diminish and/or solve the public problem (low employment

¹ EU ‘hard law’ may take different forms. At this point, it is important to make a distinction between some of the different legal instruments used by the EU-- “*Regulations* which are directly applicable and binding in all EU Member States without the need for any national implementing legislation. *Directives* that bind Member States as to the objectives to be achieved within a certain time limit while leaving the national authorities the choice of form and means to be used. Directives have to be implemented in national legislation in accordance with the procedures of the individual Member States. *Decisions* that are binding in all their aspects for those to whom they are addressed. Thus, decisions do not require national implementing legislation. A decision may be addressed to any or all Member States, to enterprises or to individuals.” (Eur-Lex, http://europa.eu.int/eur-lex/en/about/pap/process_and_players2.html, accessed on February 4, 2004).

levels). Moreover, information sharing among member States allows national civil servants and policy-makers: a) to consider policies that did not form part of the repertoire of possible solutions, b) to reconsider policies that were considered too costly by member States, and/or c) to strengthen and reinforce current national policies that follow the line of the EES. The Employment guidelines and inputs set the limits of the range of policies that national civil servants and policy-makers should consider when they engage in the policy formulation stage.

To illustrate my argument, I present data collected in Spain at the national and sub-national levels. Qualitative data is used to explore how policy-makers and civil servants in charge of employment policy perceive and think about the effect of the EES on Spanish employment policy and policy-making. Furthermore, this paper draws on a policy process framework, and specifically focuses on the process of policy formulation. This approach allows me to broaden the scope of analysis by arguing that when evaluating the effect of Europe on member States researchers should not only look at policy outcomes, such as policy change or budget increases. In this way, to be able to detect the impact of European pressures on member States' processes and policies, researchers should unpack the policy-making process. In other words, they need to trace all policy-making stages—from agenda setting to policy evaluation.² This methodology will allow us to identify national changes, such as the inclusion of a policy item in the agenda and/or policy (re)formulation. Moreover, this work follows the line of research that explores how non-coercive inputs have an effect on the process of policy-making and policy outputs (Hall, 1989; Weir and Skocpol, 1985). The following section of this paper presents background information to understand the content and the development of the European Employment Strategy.

Background

After the passage of the Single European Act (1986), the discussion about the social ambit of the EU grew steadily at the supranational level. Issues such as gender equality in the workplace, health and safety of workers, and employment policy became part of the EU agenda because they were considered important elements of a successful and strong Single Market program. The 1991 December summit of the European Community (EC) at Maastricht, Netherlands resulted in a number of institutional changes. The most striking change was the commitment to an economic and monetary union (EMU). In addition, eleven of twelve members

² This analytical approach is compatible with the “metaphor of Europeanization as a continuum.” (Radaelli, 2003).

also agreed to a “Social Protocol.” This agreement contains provisions for direct cooperation between social partners and the EU on issues concerning the social partners-- employers and trade unions.

The Treaty of Amsterdam restated the necessity of adopting “directives laying down minimum requirements in the social field and measures designed to encourage cooperation between Member States [and the] adoption of measures concerning social security and social protection of workers” (Treaty of Amsterdam, Article 137(2), ex Article 118). In addition, this treaty included an Employment Chapter (Art. 125-130). The Employment Chapter stated that the EU and member States should consider employment policy “as a matter of common concern.” The Amsterdam Treaty and the Employment Summit in Luxembourg (1997) developed an annual procedure to guide an institutional framework to make member States accountable to the EU on employment matters.³

These innovations reached a climax at the Lisbon European Council (March 2000). The Summit set a new strategic goal—“to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economy growth with more and better jobs and greater social cohesion.” (Conclusion of the Portuguese Presidency). It gave the European Employment Strategy (EES) new impetus by creating a ten-year plan (from 2000 until 2010) to reach 70% employment rate. An important feature of this process is that it implies a new system of governance in the EU—the ‘Open Method of Coordination’ (OMC). The OMC is different from traditional regulation in that it proposes general standards instead of detailed rules. For example, Mosher (2000) conceptualizes this new method as an “a post-regulatory approach to governance.” Under the OMC, member States have the option to implement (or not) European employment standards, and the country decides how it will be implementing EU standards. Therefore, it allows for greater flexibility, variation, and voluntarism than other EU regulatory instruments (directives, regulations and decisions).⁴

³ The process is the following. The Commission drafts a set Employment guideline that is voted upon by the Council (decision rule—Qualified Majority Vote). An advisory body, the ‘Employment Committee’ (EMCO), was set up. This body consists of two officials from each member state and two Commission officials. During the process of drafting social partners, the European Parliament, the Economic and Social Committee and the Committee of the Regions are consulted. Based on the guidelines the member States need to create National Action Plans on Employment (NAPs). Then member States submit NAPs to the Commission for cross-national comparison and evaluation. Meanwhile, member States are reviewing each other’s plans at EMCO. Then a report is created. It compares practices, establishes benchmarks, and best practices. In addition, the Council makes recommendations to member States about their practices (QMV).

⁴ The OMC represents an instance of ‘soft-law.’ For a detailed analysis of why international actors choose ‘softer forms of legalized governance’ refer to Abbott and Snidal (2000).

The OMC should be understood within one of the most important principles of the EU—subsidiarity. When we refer to social policy, specifically to employment policy⁵, the notion that ‘subsidiarity reigns’ is shared by many scholars. (Hix,1999; Peters, 1992; Schaefer, 1991). Subsidiarity refers to the principle that “all actions in social and political life should be performed by the smallest possible unit. [...] This approach would mean that the EC “government” would do as little as possible, leaving most functions to the national and, perhaps especially, subnational governments” (Peters, p.110). Subsidiarity implies a bottom-up approach in which the lowest unit will be empowered with the responsibility of performing a task. Applying the principle of subsidiarity to discussions about social policy and the OMC presumes that: a) the national, regional and/or local governments (within the member State) would be responsible for managing social issues and benefits (such as the management of employment policy, taxing, and redistribution in the form of welfare programs) not the European Union; and b) the EU will limit its role to one of ‘guide’ to members States in the process of policy-making and implementation, because under OMC this supranational entity does not have the legal instruments to act as an enforcer.

Moreover, to understand the growing emphasis on employment policy by the Union we must not limit the analysis to the ‘social dimension,’ but we need to refer to the ‘economic’ ambit of the EU--the Economic and Monetary Union (EMU). The creation and development of the Monetary Union had great consequences on the area of labor market policy because the range of available policy options, especially in the macro-economic field, to members of the EMU are limited and restricted. Thus, it could be argued that the EMU constrains the national context of labor market policy in numerous ways. For example, Goetschy (forthcoming) argues that traditional job creation policies became obsolete because,

- 1) It was no longer possible to foster employment by means of competitive devaluation and adjustment of national rates because EMU entailed an increasingly centralized monetary policy for the EU; 2) EMU and the adoption of the Stability Pact (1997) prohibited large public deficits and hence attempts to combat unemployment by means of public-sector job creation; 3) Community competition law began to weigh upon employment by increasingly limiting certain types of state aid to undertakings in specific sectors and by granting or withholding permission for mergers and takeovers by major industrial or financial groups. (Goetschy, 62)

⁵Roberts and Springer (2001) comment that employment policy has been a close relative of social policy, and that these terms have been used interchangeably throughout much of the EU’s history. The authors argue, “employment policy and social policy coexist with only an unclear border between them, but employment policy is the star of the era and the one that attracts the broadest support” (Roberts and Springer, 2001, p. 27).

In sum, the inclusion of employment policy at the EU level is one of the multiple pieces that hold the economic and monetary program together, while at the same time it underlines the importance of employment policy as an instrument for maintaining a European ‘social’ agenda.

Understanding Employment Policy at the National Level

This research project attempts to link the literature on Europeanization with the works on the process of policy-making in domestic settings. Traditionally, works on policy-making processes have focused on the policy consequences of domestic institutions and actors. This paper fits within the body of work that studies the effects of exogenous (non-domestic) pressures on domestic policy processes.⁶ Non-domestic pressures on domestic settings is a salient issue to any country that is a member of an economic bloc and/or an international organization because their national policy choices are, on many occasions, constrained by a set of non-domestic agreements and procedures. Moreover, this research explores how non-domestic forces that are non-binding in nature (the Open Method of Coordination in particular) affect domestic policy-making processes. Thus, I consider the salient interrelationship of non-domestic with domestic settings, and how this interrelation can affect policy-making processes within the nation-state. In the next section, I will provide a brief overview of the bodies of work presented above.

Europeanization?

In the last decade scholars, lawyers and policy-makers have shown considerable interest in the new treaty provisions, social developments, and their consequences on the development of the supranational entity. Until very recently the growing impact of ‘Europe’ at the national and the sub-national level was ignored by scholars. Most studies on the European Union used a ‘bottom-up’ approach that focused on supranational processes, such as the transfer of competencies from the national to the supranational level, institution building, and decision-making in Brussels. Moreover, scholars began to expand the field by studying and theorizing ‘Europeanization’⁷ (Featherstone and Radaelli, 2003; Olsen, 2002; Börzel, 2002; Falkner, Hartlapp, Leiber and Treib, 2002; Knill, 2001; Cowles, Carporaso, and Risse, 2001; Héritier et al, 2001; Börzel, 1999). This “next-phase” of European integration studies focused on ‘why, how, when, and at what degree’ Europe matters at the national and the sub-national level. The authors have developed the ‘top-down’ perspective by arguing that European integration and

⁶ Gourevitch (1978) labels this process ‘second-image reversed.’

⁷ Börzel (1999) provides a convincing definition of ‘Europeanization.’ The author defines it as a “process by which domestic policy areas become increasingly subject to European policy-making.” (p. 574).

Europeanization affect the domestic structures of European member States. This body of work studies the national implementation of European policy measures ruled by hard-laws (directives and regulations).

Works on the ‘top-down’ tradition share one similarity, it interprets instances in which European inputs are legally binding (hard law). These studies are grounded on the assumption that national legislation must change when the EU launches regulations or directives because these instruments are legally binding.⁸ Under this circumstance, member States are knowledgeable of the legal instrument, and they are aware they should comply with European regulations and directives. In addition, EU institutions provide the legal instruments (infringements and litigations) to threaten and punish member States that do not comply with these regulations. Thus, European institutions, specially the European Commission and the European Court of Justice, act as enforcers.

However, still there is limited work that provides empirical data accompanied by a theoretical framework to understand how non-legally binding and voluntary mechanisms (“soft-law”) used by the European Union, such as the OMC, affect national settings (GOVECOR Project, de la Porte and Pochet, 2002, Cameron, 2003; Borrás and Jacobsson, 2003). First, under OMC states are not obliged to change their national legislation to comply with EU regulations because compliance is entirely voluntary. Second, given that European inputs are a set of guidelines (not EU regulations and directives that involves a formal European legislative process), under OMC, the measurement for domestic outcome is not limited to a change of legislation or transposition. Under this new method the adoption of new legislation or transposition to fit European guidelines is not a requisite for change, reform and/or implementation. Thus, under OMC, outputs can take many different forms and they do not necessarily include policy change or/and change in legislation. Third, the EU cannot legally threaten or punish member States if they do not comply with non-legally binding European initiatives, such as the European Employment Strategy. Thus, EU’s role as an enforcer loses power. Consequently, I claim that we must understand how soft governance tools and instruments affect the domestic institutions, policy-making processes, and actors. Comprehending how non-binding directives impact member States is a fruitful theoretical and

⁸ Knill (2001) argues that there are two types of regulatory policy—old regulatory policy and new regulatory policy. The former refers to “the regulation of market processes by defining the conditions for market access and operation.” The last type is defined by Knill as the policy that is “directed at curbing negative externalities emerging from market activities.” (p. 36).

empirical exercise because it will allow us to develop an overarching model to explain other policy areas ruled by voluntarism.⁹

Policy-making

Some authors have framed policy-making as a process composed of multiple stages (Lindblom, 1971; Jones, 1984; Anderson 2000). Moreover, scholars have taken the ‘policy-making stages’ heuristic as a baseline, and have focused on specific stages of policy-making to understand policy change and policy success/failure (Pressman and Wildavski, 1984). Others have refuted the analysis of policy-making stages and have focused on policy communities and subsystems, and the role of information to comprehend policy change (Sabatier, 1991; Haas, 1992; Sabatier and Jenkins-Smith, 1993). One of the biggest gaps of the literature on policy-making is that most work has focused on the American context, and very little work is comparative in nature (McCubbins and Haggard, 2002; Tsebelis, 2002). Moreover, most of the contemporary work that utilizes the comparative method focuses on how ‘hard institutions’ (Presidents, Parliaments, and political parties) influence legislative change. These authors do not deal with policy changes that do not require the legislative process and the creation of laws. I argue that some policies do not involve regulation from the state because they are part of the ‘routine’ (‘what states do’). On many instances, employment policy in the EU is an example of those types of scenarios.

Finally, in order to understand how non-national arrangements and non-domestic settings affect and influence the policy-making processes on domestic scenarios, I take insights from the literature on policy transfer (Dolowitz and Marsh, 1996; Page 2000), lesson-drawing and policy diffusion (Rose, 1993; Stone, 2000). These bodies of work attempt to explain the process and the conditions by which policies and practices move from one place (jurisdiction, state, nation, etc.) to another. Moreover, I draw some ideas from the field of IR (Goldstein and Keohane, 1993; Garret and Weingast, 1993), and the literature on policy ideas and learning (Hall, 1989; Sabatier and Jenkins-Smith, 1993; Braun and Busch, 1999; Campbell, 2002) about how the

⁹ The goal of this project becomes even more relevant, if we accept Goldstein’s et al (2000) argument about a rising worldwide movement to legalization (or a movement to law), and an increase in the regulation of important actors’ behavior. The authors represent legalization as a specific type of institutionalization that entails a “decision in different issue-area to impose legal constraints on governments.” (Goldstein, Kahler, Keohane and Marie Slaughter, 2000, p. 386). The EES represents an illustrative case of such phenomena because a supranational institution, the EU, put legal constraints on member States by supervising and monitoring their labor market policy, institutions, and processes. In this way, national actors’ potential courses of action and behavior are, in some degree, regulated and constrained by a set of general EU guidelines and processes.

launching of innovative ideas by international organizations and regimes may push policy change on national settings. In addition, this body of work emphasizes that learning (the redefinition of beliefs and ideas on the basis of new knowledge) could lead to policy innovation. Thus, this literature frames the mechanisms (how it happens?) by which the EES could influence and/or affect employment policy-making processes on national settings.

In sum, this paper attempts to expand the literature on Europeanization by exploring how non-binding measures affect policy-making processes at different levels of government. Moreover, it seeks to make a contribution to the policy-making literature by trying to generate concepts and theories to understand: a) the relationship between ‘soft institutions’ and the process of policy-making; b) policy settings that do not necessarily require the creation of legislation; and finally c) how exogenous (non-domestic) inputs affect policy-making processes on domestic settings. The following section presents the theoretical foundations of this paper.

The Framework

The study of the effect of exogenous (non-domestic) pressures on domestic settings is not an easy task. Moreover, the work becomes more challenging when we are studying the impact of non-binding agreements on national settings because member States are not obliged to change their legal structures to comply with outside regulations. Thus, nation-states do not necessarily need to engage in a process of change and reform as a consequence of external pressures. When studying such scenarios the researcher faces many obstacles, such as the difficulty in data acquisition, the complexity of determining causal relationships, being able to disentangle “what affects what, and how”, and a limited time perspective.¹⁰

Many would be tempted to look into indicators, such as employment and unemployment rates, economic growth rates and changes in GDP, to make a diagnosis of the effect of the EES on national settings. However, I argue that these indicators do not provide an accurate picture of the effect of the strategy because economic growth, the development of human capital, and employment and unemployment rates depends on many factors, such as the overall macroeconomic performance of the economy. Moreover, such indicators mostly capture the consequences of policy changes (policy outcomes) across an extended period after the policy was formulated. This paper frames policy-making as a process. I believe that an evaluation of the effect of the strategy on member States should trace the policy-making process from beginning (problem definition) to end (policy evaluation). Policy-making is composed of many stages and

¹⁰ For a detailed description of the problems associated with policy evaluation, refer to Anderson (2000), and Pressman and Wildavski (1984).

many actors. Thus, I argue that to have an accurate picture of how outside pressures affect national settings we should unpack the policy-making process and explore the multiple scenarios and stages where national actors operate when making policy.

Theoretical framework

The underlying logic behind the effect of non-domestic pressures on domestic settings is better understood using an ‘input/output’ heuristic.¹¹ The annual procedure (sets of powerful ideas)¹² coming from the EU represents the ‘input,’ and member States can (or cannot) produce a series of policy outputs. When describing and explaining how an ‘input’ shapes and/or determines a specific ‘output,’ we should rethink what we define as ‘output.’ Could we consider the development of proposed courses of action to attack a problem an output? Alternatively, should we limit our understanding of an output to tangible and palpable ‘things,’ such as the development of a training program for the unemployed? I contend that there are multiple outputs throughout the policy making process. For example, the revision of policy X could be framed as an output. Hence, the decision of not revising the policy could be framed as an output, as well. In the same vein, ‘outputs’ are present during the multiple stages of the policy-making process. To be able to understand how EU guidelines and the process attached to the employment strategy has affected national settings we need to examine the different stages of the domestic policy-making process. Scholars who study the process of policy-making have articulated several stages

¹¹ The literature on policy-making makes a differentiation between ‘policy output’ and ‘policy outcomes.’ The first refers to what the governments delivers when the policy process culminates. Moreover, the former is defined as the impact of a policy. (Anderson, 2000; Hoogwood & Gunn, 1984). When we refer to employment policy, a policy output refers, for example, to the number of jobs created in a year. Moreover, a policy outcome looks at, for example, does the creation of jobs diminishes unemployment rates?

¹² I frame the EES as a European process formed by a set of ‘ideas with power.’ The first part of the concept, ‘ideas,’ refers to the non-legally binding and general (non-detailed) nature of the EES. The European strategy delivers a set of ideas to member States that include (but are not limited to) underlying definitions, conceptions, policy prescriptions, and future courses of actions about employment policy and other facets of policy and the labor market. Thus, implicitly, ‘Europe’ prescribes theories (relationships and causal relationships) about, for example, how does the market works? What is the role of the state? How do member States diminish and/or solve the problem (high levels of unemployment rates and/or not achieving full employment)?, etc. The second part of the concept, ‘with power,’ gets at: 1) the repetitive nature of the EES, and 2) the fact that member States have agreed to form part of a supranational process, and more generally, to a supranational entity. Thus, my argument is that even if the EES is ‘soft’ in nature (compared to other legal instances in the EU), it is not as ‘soft’ as other ‘ideas’ in the international environment because it is a treaty based arrangement. The main reasoning behind this statement is that the EES, in itself, is controlled by a supranational entity. Thus, member States face, at least, some minimal level of obligation, such as the drafting and creation of NAPs, because they already engaged on supranational bargaining and cooperation (treaty signing). In addition, ‘others’ (member States and supranational institutions and actors) are monitoring, judging, and approving/disapproving member’s actions on employment policy. Therefore, member States must account for their actions and choices, in some way or another, to the other member States and to the supranational entity.

in the process of policy-making.¹³ My analysis focuses on the stage that precedes the adoption of policy¹⁴--policy formulation.

Why Policy Formulation?

During policy formulation, policy-makers need to identify and formulate the public problem that they will attempt to solve. At this stage, policy-makers develop courses of action to attack the public problem. Moreover, during this phase high-level officials develop a demarcation of **who will be involved** in the process and **how they** will be involved in further stages of the policy process, such as policy adoption and implementation. In addition, **proposals** about how to solve the public problem are put on the table. The process of policy formulation sets the stage for how and why policy will be adopted, implemented, and evaluated. Moreover, it sets an ideological road map of the main characteristics of future policy (Goldstein and Keohane, 1993). By examining the formulation (and the reformulation) of policy, we will have a better understanding of the dominant factors shaping the form, scope and underlying ideology of future policy. Moreover, we will understand how and why countries engage in potential change of existing practices, institutions, policies, structures, etc.

Methods and the Case

This research utilizes a qualitative approach. I believe that talking and interacting with the people that formulate, evaluate and create employment policy on a day-to-day basis provides an accurate picture of how the EES affects national settings. Moreover, a qualitative approach allows me to trace if (and how) the process attached to the EES has the power to affect different stages of the domestic policy process. The argument of this paper is informed by more than fifty

¹³ For example, Anderson (2000) identifies five stages in the policy process—policy agenda, policy formulation, policy adoption, policy implementation, and policy evaluation. In addition, Jones (1984) and Hoogwood and Gunn (1984) develop similar terminology to analyze the process.

¹⁴ The first stage, policy agenda, refers to the phase in which a government considers whether to “do something” about a problem; or using Jones’ (1984) terminology “the discovery” of a problem. Moreover, achieving agenda status is something that needs to be considered in this stage. In the context of my research, stage one refers to why the EU defined employment policy as a matter of common concern, and why it was included on the European agenda. I choose not to deal with this question because it is directly related to the process of supranational institution building, something that I am not concerned with in this paper. In other words, my work utilizes a ‘bottom-up’ (vs. ‘top-down’) approach that focuses on the effect on supranational pressures on national settings, not on the process of the transfer of national competencies and issues to the supranational level. For examples of work that discusses the development of social policy at the supranational level, refer to Adnett (2001); Leibfried and Pierson (1995).

semi-structured interviews with civil servants and policy-makers at the EU level (Brussels), and in Spain at the national, sub-national and local levels.¹⁵

I have chosen Spain as my case for several reasons. First, along with other Southern countries, Spain diverges enormously from what the EU considers desirable--- for example, high levels of unemployment and low levels of employment, low percentage of active labor policies, and limited participation of the social partners in the EES process. In this sense, an analysis of the Spanish case will allow me to explore how a country with high levels of ‘discordance’ reacts to EU inputs on the area of labor market policy. Second, Spain represents an interesting case to understand how different governmental entities within the government could be influenced by European inputs because it is decentralized country, where the Autonomous Communities (CCAAAs) have jurisdiction over many policy areas directly related to active labor market policy, such as training, and unemployment services. Finally, compared to other member States there is limited knowledge about how the EES affects Spain (Luque, 2000; GOVECOR Project). Thus, I wish to make a contribution to the body of work that studies the effect of OMC on national settings.

The objective of this paper is twofold. First, I wish to present data for the Spanish case. Second, this paper seeks to generate some hypotheses that will be tested on later extensions of this work. Spain serves an illustrative case on how the EES could influence and affect member States, especially a Southern case with high levels of misfit. An extension of this work will compare the effect of the EES on other member States (Sweden and Belgium). Hence, the ultimate goal of my research project is to examine and analyze all policy stages using the comparative method (across countries and across levels of government) to explain, understand and generate theories about how and why European pressures on the field of employment policy influence and/or affects domestic policy-making processes.

The EES and National Policy Formulation

Since 1997, European member States have formed part of the European Employment Strategy. Since then “heads of State and Government have agreed on a framework for action based on the commitment from Member States to establish a set of common objectives and

¹⁵ All interviews were tape-recorded and transcribed. Moreover, given that most of the interviewees were high-ranking civil servants and policy makers, the subjects and I decided not to disclose their names or identity. I used N-Vivo (a software program to analyze qualitative data) to code and analyze the collected data.

targets for employment policy” (European Union’s website).¹⁶ In addition to the guidelines, the process is built on the annual creation of National Action Plans (NAPs). NAPs are documents drafted by national administrations that describe how the Employment Guidelines¹⁷ are put into practice nationally. National administrations should include social partners in the process and other national interested parties (sub-national administrations, NGOs, etc.). Once a member State starts participating on the EES annual and iterative process it explicitly agrees to bring the issues posed by the European Council (in the form of employment guidelines) back to their State. Moreover, it accepts a set of European “targets” and “common objectives.” Thus, by participating in the process, a member State is opening a window for the reformulation of structures, content, and processes that holds together employment policy and labor markets at the domestic level.

When trying to understand how does the EES affect (has affected) domestic settings, we should start our analysis by questioning—does member State participation in the EES process affect the formulation of employment policy at the national level? When examining the former question we will determine if: a) domestic policy agendas regarding employment policy are being reconsidered (or not), and why so (are courses of action being reconsidered?); b) domestic balances of power are being reconsidered (or not) (are new actors, such as new agencies, ministries, and interest groups, being included in the process of national employment policy-making?). In the next section, I will present data collected in Spain that helps us shed light on the following questions—Is employment policy being reformulated at different governmental levels? If so, how? And if it is, is it related to the European pressures? Why so? What are the mechanisms that pushed reformulation?

A New Arena for Negotiation and Reformulation—

“The EES has been one of the backbone elements to everyone’s participation in employment policy.” (Interview, Spain 2003, my translation)

The process attached to the EES can push states to create new spaces for the formulation (and reformulation) of employment policy at different levels within the polity. Moreover, the process can influence national administrators of employment policy to reformulate their role in relation to this policy area. For example, in Spain some bargaining arenas were created to follow

¹⁶ http://europa.eu.int/comm/employment_social/employment_strategy/index_en.htm (accessed on August 18, 2003).

¹⁷ These are a set of guidelines that set out common priorities on member State’s employment policies. They are created at the EU level by the Commission and voted upon the Council under Qualified Majority Voting (QMV).

the EU process. The EES, specifically the drafting of NAPs, required administrators at the national ministries and agencies to create new spaces for the exchange of information with the ultimate end of complying with the process. Consequently, when we refer to employment policy at the national level, involved parties worked with organizations and issues that otherwise they would not have.¹⁸

In Spain, after the launching of the EES, the Ministry of Labor created an unofficial interministerial commission to (re)define the relationship of national ministries to employment policy. An interviewed civil servant mentioned that after the launching of the EES the Ministry of Labor was not the only ministry responsible for employment issues, but this policy became an area of common concern for other parties that before 1997 had no, or very limited relation to it.

It was not only the Labor Ministry, but the Ministry of Economy, the former Ministry of Industry, the Ministry of Education (a very important one), the Ministry of Agriculture, the Ministry of Finance (that deals strictly with the fiscal aspect of the labor market) [...] After the Treaty of Amsterdam employment policy was placed at the center of all European policies and that, in some way or another, has led some ministerial departments, that before the EES thought that their actions did not have any repercussions on employment in it, and this has led them to recognize it [...] And this has helped to raise organizational awareness, not only in the public sphere but also in the private, to see that their actions have a repercussion on the labor market. And this has made all the organizations, in the public and the private sphere, aware that their actions will affect the labor market in the country. (Interview, 2003, Spanish civil servant, my translation).

The above statement illustrates how the inclusion of the issue of employment at the EU level was related to a reorganization of national structures, processes and meanings at the national ministerial level. First, the process attached to the EES reframed and redefined the notion of 'employment' at national ministries converting it in a broader issue that was not necessarily limited to unemployment. Now, issues and policy and issues areas that were not typically framed as having direct repercussions on 'employment', such as gender equality, lifelong learning and education, and inclusion, were seen as having an effect on the quantity and quality of this policy area.¹⁹ Second, the existing division of power was reframed as employment became a matter of 'common concern' to many ministries. In this sense, the Spanish Ministry of Labor and Social

¹⁸ For a detailed description of the NAP process in Spain, refer to the Appendix.

¹⁹ The European Employment Strategy emphasizes employment creation, instead of unemployment diminishment. The main difference between these approaches is the idea that member States should not focus on unemployed people, but that states should recognized the needs of a population who have not fully participated in the labor market given structural obstacles (women, handicapped, immigrants, etc.). For example, the EES target is to reach an employment rate of 70%. Another important aspect of the EES is the recognition of 'quality of employment,' developed by the Belgian presidency (2001). This concept stressed the idea that member States should not only focus on the creation of jobs and increasing the rates of employment (quantity), but on the creation of good jobs (quality).

Affairs was not solely responsible for the issue of employment, but by becoming related and connected to this policy area, other Spanish ministries had to account for how their policies have been affecting the quantity and quality of employment.²⁰ Third, national ministries became aware that their action, or inaction, (meaning presence of policy, or the lack of policy) did not only influence the policy area that they are competent for, but different dimensions of employment policy and of the Spanish labor market. By creating a new scenario for the exchange of practices and the discussion of a problem, representatives of the national ministries have the opportunity to rethink their notions and foundations of the problem in question--What is the problem? What causes the problem? How is the problem solved/diminished? What is our relationship to the problem? What is our role regarding the problem? How do my actions have repercussions on other policy areas?²¹ This is significant because it shows that the EES has the power to (re)shape actor's notions, and (re)formulation of their role and relationship with problem—in this case low levels of employment. In sum, 'the problem' was redefined by expanding the set and the scope of the solutions and available courses of actions to national ministries. By explicitly making an organizational link between policy areas and issues, employment policy is reframed as a broader policy area with broader solutions, which not only concerns labor institutions, but other areas, such as education, industry, agriculture, and finances.

In Spain, there is a general sense among policy-makers at the ministerial level that the EES has added cohesion, structure and clearness to the (re)formulation of employment policy.²² Interviewees at the ministerial level seem to agree that after the introduction of the EES, the majority of the actors have specialized forums to communicate and initiate the discussion about the future state of employment policy in their country. However, this view is not shared by all actors. For example, interviewed trade unions' representatives expressed their dissatisfaction with their participation in the process and with the nature²³ of the consultative space. However, even if they believed that the process has not particularly benefited them (referring to better and more frequent relations with the government, more leverage to introduce and develop their

²⁰ These actions are also manifestation of the idea (promoted by the strategy) that in order to achieve full employment, employment policy, social policy and economic policy should be directly linked to each other.

²¹ For example, an interviewee argued that one of the most important aspects of the process is the 'unity vision,' or the fact that every year someone is thinking about what 'we' are doing about everything that affects employment. "And how each one of the parties, that have a role on a piece of the puzzle, has the opportunity to see how their actions interact with rest." (Interview, 2003, Spain, my translation).

²² The reader must note that this argument is limited to policy formulation stage. Thus, it does not necessarily extend to the stage of policy implementation.

²³ Interviewed trade union representatives believed that the process of NAP creation tend to be dominated by the national government, making it very bureaucratic. For more details about trade union's views, refer to the appendix.

positions and policies, and more developed and stable social concertation), they thought that the strategy has been a sort of ‘house keeping’ instrument for the government. The national government and many other actors (including the Autonomous Communities and the social partners), they contended, have been able to ‘see’ what other actors, organizations, and institutions have been doing, and where progress has been made (or not).

Moreover, there was a common understanding among all the interviewees about national actors ‘talking and understanding the same language’ because: a) they have a common point of reference, and b) they have become aware of each other’s positions. The fact that after 1997 (Luxembourg Summit) different entities within a country have to get together frequently to discuss their past, current and future policies and strategies with the end of drafting National Action Plans, imposes structure and clearness to future stages of policy-making. The following quote illustrates this point, “The process of drafting the National Action Plans allow us to be aware of the actions taken by different ministries and different general organizations... they can be autonomic organizations [meaning CCAA’s organizations, my clarification], and even local (town councils), and we are able to see the coherences and incoherencies of the different actions, or, if there is an overlapping between some of them [...] then the government will be able to reconcile or add coherence to their policies.” (Interview, Spain 2003, my translation).

On practical terms, increasing communication helps actors and organizations to reduce the duplication of programs because they become aware of each other’s actions. In addition, interaction that is more frequent reduces the chances of organizations developing conflicting and non-compatible courses of action, and it decreases the potentiality for conflict (at the governmental level and at the public sphere). Thus, ultimately, available resources could be used more efficiently.²⁴ For example, in the process of drafting the NAP, member States must collect information and data about their policy measures and developments, and the expenditure levels on active labor policy. For example in Spain, the national government must collect data from the Autonomous Communities (CCAAs) about the amount of money that the sub-national administrations spend on active labor policy from their own budgets. This exercise allowed the national government to recognize that on many occasions both the national government and the CCAAs were spending a significant amount of money on the same programs and the same target groups. This means that the money was not being efficiently spent because some target populations had more resources available than others. In this way, the exercise pushed by

²⁴ The consequences of efficient use of resources may include potential reduction of budgets, bureaucracy, and conflicting and non-compatible services and goals. At the end, it will directly affect citizens who use the services because we will expect that there would be a better understanding among providers and users about the program’s requirements, the goals, the services, etc.

drafting the NAP, allowed the government to detect duplications and inefficient use of programs and money. Moreover, it showed and illustrated the lack of coordination and communication between the national government and the CCAAs on active labor measures.

On a theoretical level, the creation of new arenas for bargaining at the national level enables all actors (that includes national, sub-national and local policy-makers, social partners, and non-governmental organizations) to ‘learn.’ During the stage of policy formulation, there are all sorts of ideas on the table—ideas coming from Europe, ideas coming from other countries acquired through the process (for example from the EMCO committee²⁵, the European social partners, etc.), and ideas from all sorts of actors (agencies, NGOs, sub-national level, etc.) other actors within the Member State. Thus, at this point the potential to ‘learn’ from each other’s courses of actions is great because there is all sort of available information. ‘Learning’ is not a one-way and/or static process. This means that the EES process have enabled the administrators of labor market policy to evaluate, rethink, and revise their policy status quo (in this case revision does not necessarily entails policy change) vis-à-vis other member States. Moreover, the EES process expands the range of available ideas that policy-makers can ‘learn’ from. I will expand the argument about ‘learning’ later on this paper.

Agenda and Issue Setting

The collected data suggest that the effect of the EES on the stage of policy (re)formulation was not limited to a change in the division of responsibilities at the ministerial level, but also to the reformulation and inclusion of some policy issues on the national agenda. It is important to note that most policy areas where not particularly shaken by the EES. However, this analysis is based on the assumption that the EES process has limited effect on policy formulation because it is too ‘soft’ and ‘general’ to impact significantly member States’ policies and structures.

²⁵ EMCO (Employment Committee) is a treaty-based committee which was created by the Council on January 2000. “The main obligations of the Committee, as defined in the Treaty and in the founding decision, relate to the preparation of the Council proceedings with regard to the European Employment Strategy and its instruments - the Employment Guidelines, the Joint Employment Report and the recommendations on the implementation of national employment policies. The Committee formulates Opinions at the request of either the Council or the Commission or on its own initiative. [...]In fulfilling its mandate, the Committee is obliged by the Treaty to consult management and labour, and therefore regularly meets with the Social Partners at EU level to discuss issues of mutual interest.” http://europa.eu.int/comm/employment_social/employment_strategy/emco_en.htm (accessed on February 17, 2004).

In Spain, the inclusion of ‘gender inequality in the workplace’²⁶ in the process of collective bargaining between trade unions and employers illustrates how national actors reformulated their policy position. Interviewed representatives of one of the main Spanish trade unions claimed that the EES made ‘gender equality in the workplace’ a salient issue in Spain. Prior to the introduction of the EES, they said, there was a lack of commitment on the issue—neither the government nor employer’s organizations were officially attacking the problem. They argued that the EES, specifically, its fourth pillar (equal opportunities) compelled social partners to include the issue of gender equality in the 2002 and 2003 “Acuerdo para la Negociación Colectiva” (Agreement on Collective Bargaining). A member of one of the trade unions argued,

The issue of gender equality was included in the Agreements on Collective Bargaining (that were signed this year) thanks to that [the EES, my clarification]. And we can understand the former action, in some way or another, given that the European Union included in their directives that we need to execute the issue of equality (meaning incorporating more women in the workforce). And of course, that has made people aware, and it was possible to deal with issues that before the EES the government nor the employers did not have interest to deal with.

Representatives of the trade unions at the national level were not the only actors who stated that the EES was closely related to the inclusion of issues of gender equality in the agenda. An interviewee at the *Instituto Nacional del Empleo* (National Institute for Employment, INEM)²⁷ contended, “the EES includes certain guidelines to take care of specific groups, such as women, the youth, and the aged. Thus, all these issues were included, and all the policies that the government creates are increasingly directed towards targeting women, young people, and the aged. Now, we see that there has been an active effort to prolong the time people are in the workforce, and all this comes since the European Employment Strategy is in place” (Interview, 2003, my translation). Furthermore, many of the interviewed Spanish civil servants and policy-makers echoed the claim that the EES was directly related to an active reformulation of existing policy agendas to prioritise the creation of policies directed to women, to young people, and to the aged. This reformulation leads to further cooperation, and the further development of a policy area.

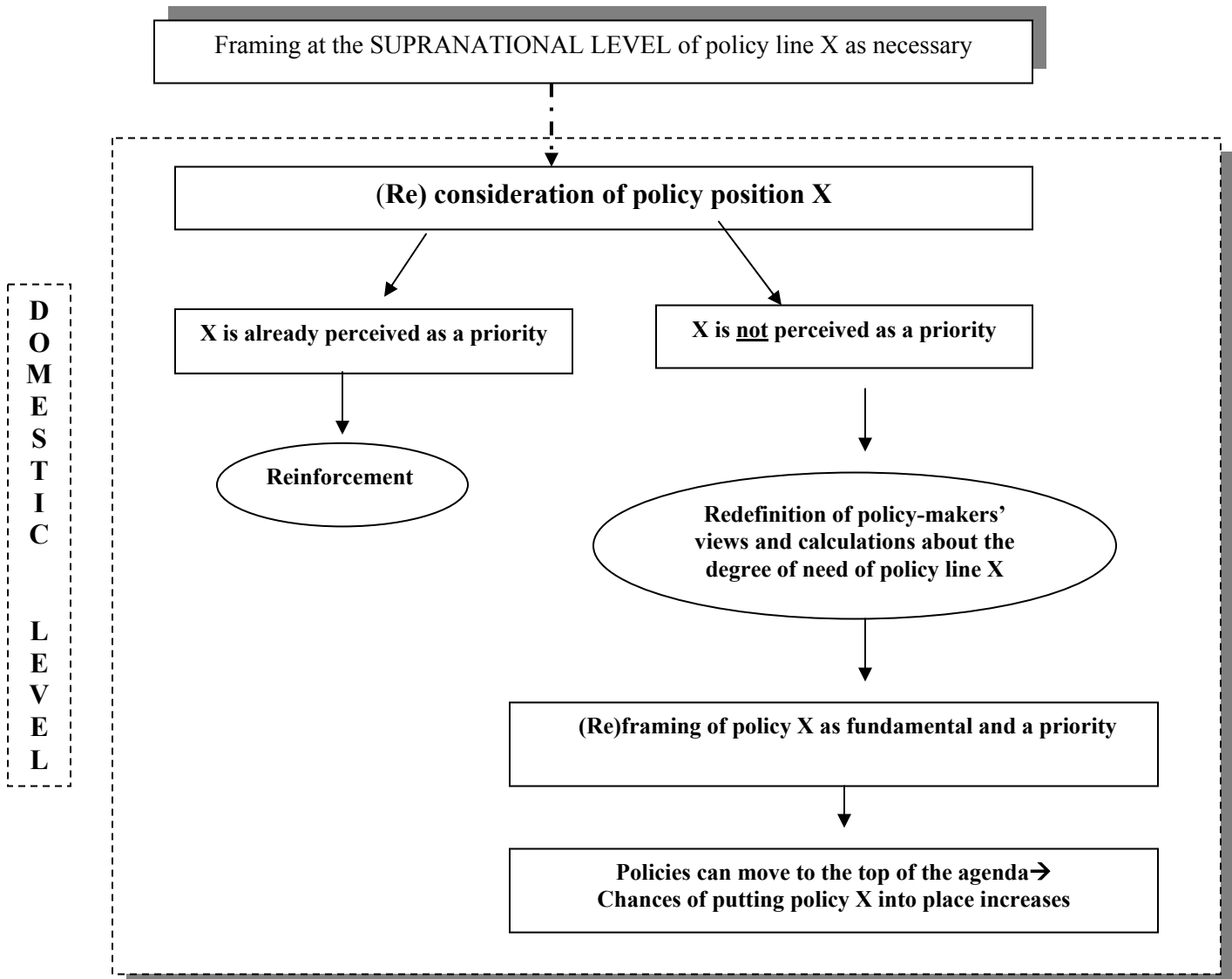
The statements presented above exemplify how ‘the soft pressure’ coming from Europe, through the EES, pushed national actors to reconsider, or to fully reinforce, their policy positions during the stage of policy formulation. The EES frames certain policies (gender equality in the

²⁶ Gender equality is a mix of ‘hard’ and ‘soft’ law. This means that the EU has used ‘traditional’ (directives, etc.) and ‘new’ (OMC) forms of governance to regulate issues of gender equality.

²⁷ The INEM is the administrative organism in charge of Spanish employment policy at the national level. It is adscript to the Ministerio de Trabajo y Asuntos Sociales (Ministry of Labor and Social Affairs).

workplace is an example) as ‘necessary’ to develop and to maintain a healthy and productive workforce and economy, and to achieve policy convergence at the EU level. We can assume that when policy-makers at the national level are thinking about a set of policies they can make a differentiation between them in terms of which ones are more (or less) necessary, and more (or less) costly. If an actor already perceives policy X as a priority, the EES reinforces this set of beliefs during the stage of policy formulation. However, if an actor does not perceive policy X as a priority, the EES has the power to redefine policy-maker’s calculations and views about the degree of need of certain policies. Furthermore, the European process pushes national policy-makers to (re)frame certain policies as fundamental and a priority. Consequently, policies can move at the top of the agenda because national policy-makers rethink their definitions and their rankings about what constitutes ‘necessary’ national policy. Moreover, once policy ‘X’ is seen as ‘necessary’ by policy-makers, the chances of putting it (implementation and/or reform) into place increases. (refer to diagram 1)

Diagram 1



The re-ranking of policies pushes national actors to reformulate courses of action that otherwise they would not have followed. In this case, reformulation of policy occurs because a group of national policy-makers visualize policy 'X' as necessary, plus 'the shadow of Europe' is present. Moreover, this stage of reformulation opens the door for (further) bargaining and potential cooperation among involved parties. To increase the chances of bargaining and cooperation, involved actors always have the option to quote 'Europe' to legitimise their actions to their colleagues and members of other organizations. In addition, policy-makers and civil servants are aware that in the future (once policy is in place) they will always have the possibility of referring to 'Europe' as a justification to legitimise their actions in the eyes of the public ('blame Europe'). Thus, throughout the process of policy formulation policy-makers may resort to the tactic of 'it is necessary because Europe said so' to persuade other national actors to reformulate their position with the end of increasing negotiation, potential cooperation and coordination on the matter. The following statement made by a Spanish civil servant exemplifies the argument presented above, "One of the big arguments that the government was making was that the guidelines [EES guidelines, my clarification] mentioned that change was necessary. That definitively, supposes a big impulse. And that [the EES, my clarification] reinforces government's actions on the public eye, and on trade union's eyes." (Spanish civil servant, 2003, my translation).

Above, I argued that the process attached to the EES influences national policy-makers and civil servants to rethink their formulation of certain employment policy (What is the policy? Why and how is it important? Should it become a national policy priority?), and as result policy can reach 'priority status' and move to the top of the agenda. However, the impact of the EES is not limited to instances where policy is not in place at the national level, but 'the soft pressure from Europe' also has the ability to reinforce existing national policies. This is true if national procedures and policies correspond with (fit) European guidelines and recommendations. During the process of policy reformulation the permanence and stability of existing policy that does not contradict EU recommendations and guidelines is strengthened, because policy-makers perceive that their past actions and decisions were 'on the right track.' Europe spreading the message that member State's policy 'X' is on the 'right track' legitimises national actors to preserve and even strengthen existing policies that follow the EU policy line. Moreover, this effect becomes more powerful when we refer to national policies and policy approaches surrounded by controversy

because the EES will strengthen the position of underdeveloped and unstable policies.²⁸ The strengthening of active labor market policies in Spain is an illustration of this type of scenario.²⁹

Active labor policies represent an interesting case because there is relationship between government's share expenditure on employment policy (active vs. passive measures) and government's understanding of the problem (What causes unemployment? How we reduce unemployment? What is the role of the government and the individual?). In Spain, this is especially important given that this country has the highest unemployment rate in the EU (13% in 2001). Thus, finding solutions to the unemployment problem is a top priority for Spain. A change in the level of expenditure on a type of employment policy (active or passive) involves a reformulation of policy and its goals because, in some way or another, it entails the questioning of the ideological and the practical foundations of the public problem—high levels of unemployment and low rates of employment. Moreover, a shift from passive to active labor policy (or vice versa) ideally implicates a potential change in the balance of power (what institutions, organizations, and actors are implicated in the task of reducing unemployment and increasing employment rates and/or what is the nature of the implication).

The general message of the EES is that member States should achieve the required balance between flexibility and stability.³⁰ The strategy emphasizes that governments and social partners need to set up the institutions and policies to increase the long-term employability of workers and jobseekers.³¹ This message directly affects how Spanish policy-makers and civil servants think about where employment policy should head in the near future. In other words, it affected the formulation of employment policy at the national level. The 'European' emphasis on active labor policies has made national Spanish policy-makers, civil servants and social partners

²⁸ Controversial policies are those that lack support from different groups and organizations. Most of these policies are 'ideologically' charged, meaning (in the case of employment policy) that they involve an underlying understanding about what are the roles of the state and the market in the economy, and the desirable level of state intervention in the economy.

²⁹ Traditionally, there are two types of employment policy—active and passive labor policies. The objective of passive labor policy is to guarantee some income and protection for unemployed people. Moreover, active labor policies are destined to facilitate the (re)incorporation of unemployed people in the work force. This type of policy does not entail spending on income maintenance (Tobes Torbillo, 2002). Activation entails that a government invests in human capital and/or offer incentives to employers to (re)insert and/or maintain workers in the workplace. Moreover, there are two types of active policies; those based on supply and those based on the demand. The aim of demand policies is to create subsidies or fiscal incentives for employers to hire 'high risk' populations (women, unemployed, handicapped, etc.). The objective of supply policy is to fit 'working qualifications' with employer's needs. In this sense, the development of workers' qualifications and the systems that sustain them (basic, higher and continuous education) represent the cornerstone of demand policy (Tobes Portillo, p. 15).

³⁰ In the case of Spain, it meant an increasing emphasis on activation, rather than maintaining or expanding protective measures.

³¹ In Spain, it is especially important to emphasize long-term employability given the high rate of temporary contracts.

increasingly aware that they should further engage in reforming and changing many dimensions of employment policy if they want to follow the European policy trends.³² In addition, the administrators of policy have to further reformulate the nature and the content of their current system and their budgets to come up with potential set of solutions and courses of actions to diminish the public problem. Moreover, the process entails a reformulation of normative and ideological principles of employment policy and labor markets. For example, when I asked an interviewee what has been the main impact of the EES on national settings, the civil servant responded, “that we spend more money on active labor policies. Every year the relationship between active and passive labor policies changes, and we try to impose more and more active ones. Or, even that passive ones include a higher level of activity (and we see that year by year in the budgets), and normative changes (and that is where the EES is situated), and it has had its effect.” (Interview, Spain 2003, my translation).³³ We must note that the interviewee does not only mention tangible outcomes³⁴ (budget increase)³⁵, but also underlines that the EES has pushed for changes of normative principles about how the government and other national actors visualize employment policy.

On the same vein, the ‘preventive approach’ emphasized by the EES has affected how Spanish policy makers at the Ministry of Labor and Social Affairs think about which populations (short term vs. long term unemployed) should get promptly activated, and which measures they should develop to retain ‘high and medium risk population’ in the work force. In Spain, it has been extremely difficult to incorporate the ‘preventive approach’ into its policy structures, practices and institutions, mainly because of its high levels of unemployment.³⁶ The following

³² Another reason why Spain might want to comply with the process is the high amount of funds coming from the European Social Fund.

³³ Before the launching of the EES (1997), Spain had some experience with active labor measures.

This country timidly engaged in the use of active labor measures. Cruz Castro argued that “in Spain there was an important increase, but not linear, of active labor policies, however, levels of expenditure on passive labor policies were constant and they increased significantly [...] Active labor policies experienced a solid increase in the second part of the 80’s, and this increase stopped in 1991, and in 1993 the level of expenditure on active labor policy was lower than the one in 1988.” (p. 243, my translation). For a detailed description of active Spanish active labor policy, refer to Tobes Portillo.

³⁴ For example, in the 2002 Spanish NAP the government states, “The European Employment Strategy has led to a considerable increase in the number of unemployed people taking part in active policies, and in the funds allocated to these policies. In 1997, 591, 361 actions were undertaken using INEM funds alone [...] In 2001, 1,482,043 actions were carried out [...] an increase of 83% for the INEM funds. Lastly, funds for active policies have been increasing every year: in 1997, active policies represented 19.9% of the INEM budget, and in 2002, the figure is 36.4%.”(2002 Spanish NAP, 27). In addition, refer to Tobes Portillo.

³⁵ As I already explained this paper does not focus on policy output. However, I refer to policy outcomes to illustrate that reformulation of policy has had consequential effect on policy, per se.

³⁶ For example, in the process of creating the EES at the EU level, Spain did not support the ‘preventive approach’ given that they consider that they could not comply with it. On that time, President Aznar did not approve the development of this approach since Spain had (has) high levels of unemployment and high

statement illustrates the problematic: “I could tell you that Spain has not been able to achieve the EES’s goals regarding the preventive approach given that we have high levels of unemployment, and we have complied very little. In other words, providing a preventive action to all the people who have been out of the work force for six to twelve months, seems like an easy thing to do when you have enough funds, and even if you do not have high rates of unemployment. Yet, the problem is more complicated than politicians think when they put it on the table. Because it entails changing all the mechanisms attached to Employment Services and that supposes a change in all the actions of the Employment Public Services. And that takes a lot of time.” (Interview, Spain 2003, my translation).

Even if the Spanish government has not been able to fully implement ‘prevention’ into their practices and systems, the approach is very much present in their current formulation of policies and their future goals (where they should head). Many interviewees referred to the ‘preventive approach,’ and how they have tried to develop and incorporate it into their practices and institutions. For example, when referring to qualification systems and training for the employed, policy makers pointed out that certain Spanish policies and institutions fit within the ‘preventive approach’ because their main aim is to ensure that people are able to certify their knowledge and skills with the end of finding a job in a short period of time and/or maintaining people in the workforce.

It is important to point out that ‘activation’ and ‘prevention’ are not new policy approaches in Spain. They have been present in Spain for longer than a decade, and they became even more salient when Spain joined the European Union (Tobes Portillo, 2002). Hence, I am not arguing that the EES introduced such approaches in the Spanish policy-making arena. Rather, my argument is that the EES process reinforces and prioritises these approaches on policy-making scenarios in Spain.³⁷ The EES frames such approaches as ‘necessary’ to be competitive in the European and the world market. Consequently, policy-makers have become even more aware of the need to develop them if they want to fit within the general European policy trends and goals. Thus, the discourse about ‘activation’ and ‘prevention’ in Spain has been strengthened by the EES, moving it to the top of the national policy-making agenda, and by making it annually (at least) present in policy-making arenas. Thus, ‘activation’ and ‘prevention’ are ideologies that

levels of rotation (given the frequent use of temporary contrast), and it would be almost impossible for this country to follow this approach.

³⁷ We must note that the EES process is composed of many stages, such as NAP creation, peer-review, and the presentation of recommendations. Spain has received many remarks from the European Union on the need to further develop those approaches. Thus, it could be argued that ‘shaming’ by the EU has pushed for the further development of those approaches.

have been increasingly present at the national level when policy-makers engage in the process of (re)formulating (current) labor market policies and institutions.

On the above sections, I have argued that the EES has influenced the process of policy (re)formulation at the national level. Mainly, the European process has pushed ministries to: a) create new scenarios to discuss employment policy; b) to reconsider the existing balance of power (who is responsible for employment policy?); and c) to rethink and increasingly incorporate policy targets and ideologies into their current practices and ideologies. However, we must ask, have other levels of government experienced the developments presented in the past section? In other words, have CCAAs and municipalities been affected by the processes attached to the EES? The following section attempts to clarify and answer these matters. Moreover, to sustain my arguments I present data gathered at Community of Madrid and its institutions, and at a municipality in Madrid.

The Sub-national levels

A New Arena for Negotiation and Reformulation--

When attempting to understand how the EES has affected policy (re)formulation at the CCAAs we must note the role of the INEM in diffusing the message. The INEM is the scenario where all the CCAAs meet to discuss the strategy.³⁸ This institutional space represents a new forum where the CCAAs are able to communicate, bargain and/or cooperate with the national level, and with each other, relating employment policy. Interviewees mentioned that the creation of this scenario has enabled both levels of government to have better and more frequent communication and coordination. At this point in time, more communication between both the national and the sub-national levels is especially important since the launching of the EES has coincided with the transfer of active labor policies from the national level to the CCAAs.

From the INEM's point of view, the EES has supported the process of devolution of jurisdictions to the CCAAs since the strategy provides a common point of reference and 'a plan' about where the CCAAs should head to (targets, scope and shape of policy, etc.). "The devolution of jurisdictions coincides with the EES. The EES has been an important instrument for the CCAAs and the national government since it allowed us to say 'we agree on transferring active labor policies to the CCAAs, but we must maintain a policy unity and a common strategy'." (Interview, Spain 2003, my translation). An interviewed civil servant at the national level echoed this claim by arguing that the NAP serves as a tool to organize policy objectives

³⁸ Refer to the appendix for more information about the participation of the CCAAs in the EES process.

(and the norms attached to them) that provides a sense of ‘togetherness’ in terms of the desired actions and goals. Thus, it could be argued, that the EES serves as an instrument for the national government to maintain a sense of unity and coherence, and a common point of reference about the shape and the scope of active labor policy.

From the Community of Madrid’s point of view, the EES provides an extra tool to sub-national levels to further justify the devolution of jurisdiction and their role as managers of active labor policy. For them, since the Barcelona Summit, a new framework of action has been developed that underlines the importance of providing more power to the entities closer to the people. “At this point there is a new framework that pretends to provide more potential and more possibilities of action to the administrative organisms that are closer to citizens. In other words, it wants to aspire to hand over to the bottom the responsibility for some of the managing competences, and foremost, for the funding of training programs.”(Interview, Spain 2003, my translation). In this sense, the EES has aided civil servants at the Community of Madrid to coordinate better with the national level, and the other Communities, their active labor policy, and has further legitimised their role as managers of active labor policy in Spain. Moreover, the interviewees contended that further coordination among the different organizations and institutions have helped to diminish policy duplications and gaps.

Agenda and Issue Setting—“Show me the Money”

When analysing the power of the EES and the NAP process to push for the reformulation of sub-national (specifically the Community of Madrid) agendas and issues, it must be pointed out that the impact is very limited. The interviewees view the NAP process and the EES as a matter concerning the national government, in which their obligation is limited to the provision of information to the national level, specifically to the INEM. Thus, they do not see how the process has directly affected their way of thinking. However, they consider that it have had some effect if we think that: a) the national government still formulates and establishes the general policy line; b) the national government dictates who are the main beneficiaries of the programs; c) the national government adjusts, in some way or another, the general Spanish policy line to fit and adopt the European tendencies dictated by the EES. Thus, it could be argued that CCAAs are indirectly highly influenced by the EES since the general policy line of active labor policies is formulated at the national level, and then implemented and managed by the CCAAs. Still, the interviewees do not see the EES as relevant force for their actions. Mainly because they feel that the national level is competent for the EES.

At this point, it is important to underline the importance of the European Social Fund (ESF) in the CCAAs. In Spain, we cannot understand policy and institutional changes and innovations of labor market policies and the effect of the EES if we do not examine the role of the European Social Fund. In this country, the ESF is the main co-financier of all occupational training programs (from research and development to training for unemployed people). This European entity could be framed as the financial means of the EES. In its last programming (2000-2006),³⁹ the ESF has been explicitly articulated as a tool for the implementation of the EES. “For the 2000-2006 programming period, the ESF Regulation (EEC) N° 1784/99 specifies that the Fund will contribute to actions undertaken in pursuance of the European Employment Strategy and the annual guidelines on employment by supporting measures to prevent and combat unemployment and developing human resources and social integration into the labour market.” (ESF website, http://europa.eu.int/comm/employment_social/esf2000/article_6_2000_2006_programme-en.htm, accessed December 16, 2003).⁴⁰ Interviewees at the European Commission commented that even if there was not an initial overlapping between the EES and the ESF programming period, the ESF at the EU level has been strongly emphasizing and clarifying the connections between the European funds and the EES process on member States.

However, on the ground, the reality is different from EU expectations. Policy-makers and civil servants at the Community of Madrid barely saw or understood the connections between the EES (and the NAP), and the ESF (and the operative programme). For them, the EES is a national matter, and the ESF is something that concerns them. Hence, the NAP represents the national programme regarding employment policy, and the operational programme corresponds to CCAAs’ plans, strategies and funds. There is a logic behind this reasoning. The 2000-2006 operative programme, Objective 3, directly benefits some of the CCAAs (including the Community of Madrid), and the national government has no intervention in the process. The CCAAs must create and submit their own proposals directly to the European fund. Moreover, the Community of Madrid is directly funded and monitored by the ESF, thus policy-makers at the Community of Madrid are directly accountable to the ESF, not to the national government. Thus, when we refer to the ESF’s funds and Objective 3, we must understand that sub-national entities are solely responsible for the formulation, implementation, and management of ESF programs

³⁹ For more information about the ESF and Objective 3 (2000-2006) in Spain refer to “Marco Comunitario de Apoyo, España, Objetivo Número 3: Apoyar la Adaptación y Modernización de Educación, Formación y Empleo.” In addition, see “The ESF 2000-2006: Spain.”

⁴⁰ Refer to “Informe y Conclusión del Seminario. El Fondo Europeo y su Contribución a la Estrategia Europea del Empleo: Balance a Mitad del Periodo 2000-2006 y Perspectivas de Futuro.” November 2003.

within their territories. This logic explains why the CCAAs make a differentiation between the ESF and the EES. Still, the interviewed policy-makers recognized that the policy principles supported by the EES (“the national programme”) are fully in line and compatible with the principles and goals of the ESF (“the sub-national programme”).

The discussion presented above is important to illustrate that sub-national policy-makers in Spain do not feel that the NAP process directly affects their policy formulation; rather the effect comes from the financial arm of the EES, the ESF. Thus, it could be argued that the sub-national dimension of the EES in Spain does not make sense without the economic and financial incentives provided by the ESF. Moreover, by the ESF “showing the CCAAs the money” the EES has filtered to the sub-national levels with the end of reforming policy and institutions at lower levels of government (closer to the people). In this sense, I claim that in Spain the NAP process lacks the structure and the force to successfully involve sub-national levels in the process of policy reformulation with the end of following European policy trends. Moreover, in order for the “soft-pressure” from Europe to be felt at lower levels it is accompanied by “a couple of bucks” (i.e. economic incentives) provided by the ESF.

*The Municipality*⁴¹

Above I have argued that at the sub-national levels the effect of the EES is supported by the financial means provided by the ESF. Still, we should not underestimate the power of the information provided by the European Employment Strategy. For example, a case study conducted at a municipality at the Community of Madrid showed that the EES⁴² has provided some sense structure to their employment and training department.⁴³ The interviewed administrator said that EES inspired them to reform the policy dimensions of their departments; for example, they used the pillar structure to structure their annual policy program in the last two years.⁴⁴ The subject said: “We know that the EES allows us to reformulate our policy project because it just follows the line of the policy actions that we want to develop. When you look at the EES guidelines, you think ‘this is precisely what I want to do.’ And, that is what moves them [policy actions, my clarification] and what helps you to put them in place in your municipality.

⁴¹ A municipality refers to a lower level within a CCAA (sub-national level).

⁴² The municipalities are not involved in the process of NAP creation and drafting.

⁴³ I wish to clarify that I am aware that this case study is not representative of the realities at the municipalities in Spain. It is a peculiar case in terms of the resources available, the level of education and income of its population (above average).

⁴⁴ The municipalities must create their own policy program every year that is presented to the Community. The programs contain all type of policy and measures that they plan to create and develop throughout the year.

The reports provide the best practices, and they advice and inform you about what is happening around. But, if we did not have these reports and these actions then we will know that something is happening, but we would not be able to analyse nor formulate policy actions. [...] The local strategy that we have developed follows the same policy line [of the EES, my clarification]. We have informed ourselves about the pillars of the EES and we have developed and designed different actions.” (Interview, Spain 2003, my translation). In addition, the municipality created a local conference to discuss the topics related to the EES (employability, inclusion, gender equality, etc.). Members of the communities and local organizations, such as the social partners and immigrant association, participated in the conference. In this way, the information provided by the EES has helped this municipality to frame their actions, programs and institutions because it has informed them about a range of possible courses of actions and policy measures.⁴⁵

In the above sections, I presented data to understand how the process attached to the EES has affected different levels of government in Spain. The collected data point to the fact that the EES has provided information to policy-makers at different levels of the polity, especially at the national level to frame the policy debate. Moreover, by framing some policies as ‘necessary’: a) policy rankings could be reconsidered, and policy could move to the top of the agenda and/or, b) can reinforce current policies and issues. Moreover, new arenas at the national level have been created to discuss issues related to labor market policy, and consequently many national ministries are experiencing more coordination and cooperation among them. In this way, it seems that the EES is a significant influence, especially at the national level, when policy-makers are engaged at the stage of policy formulation. Finally, it is important to include the ESF when we attempt to understand the effect of the EES at the sub-national level. The ESF provides the economic incentives to push sub-national levels to reconsider and reform their processes, policy lines and institutions. Still, we should not underestimate the power of the information coming from Europe. In the following section, I present an overall explanation and a model to understand the effect of the ‘soft-pressure’ coming from Europe on member States processes

Discussion

Information and Problem Solving

What are the mechanisms that pushed for a reformulation of policy principles and structures in Spain? In other words, how and why national administrations engage in a process of change during the policy formulation process? The key concept to explain these questions is

⁴⁵ For more information about the local dimension of the strategy, refer to the Appendix.

information. The EES process provides information about how national actors should frame employment policy. In addition, it supplies member States with a set of ideas about potential courses of action. At the supranational level, member States' representatives are able to learn⁴⁶ from their peers about possible manners to solve the public problem. On the national arena, this new set of information pushes national actors to reformulate the costs and benefits attached to maintaining the status quo. The argument posed above is consistent with Hall's (1989) claim regarding non-domestic ideas about where domestic policy should head to in the near future. The author argues that these ideas have the power to change the "basic categories through which we see reality." (Hall, 1989, p. 365). By defining common and individual problems and courses of action on the area of employment policy, the EES informs policy-makers in member States. Interviewed civil servants frequently used the verb "to inform" when describing and explaining the effect of the EES at the national level. Below, I present a couple of citations to illustrate the argument.

Social partners have used it [the EES, my clarification] as a reference to shape their policies. Topics that are, more or less, explicit in the EES, such as wage moderation, how to foment training in the working place, and flexibility, have informed many of these aspects and have very much informed the actions of all us who deal with the EES. (Interview, 2003, Spanish civil servant, my translation)

The strategy has informed Spanish policies and has modified many important policies to support unemployed people with the end of achieving full employment in the near future. [...] The EES can set the agenda. It can set the agenda, because it can tell the government... or the government feels legitimated, on many occasions, to take certain actions that otherwise, maybe, would see less attractive. (Interview, 2003, Spanish civil servant, my translation)

The notion concerning the EES 'informing' national civil servants is compatible with the analyses exposed by the works on 'lesson-drawing' (Rose, 1993). This body of work treats policy as a set of "ideas, institutions, and practices" (Page, 2000, p.4). The author argues that policy-makers 'draw-lessons' from other jurisdictions through learning, and that civil servants and policy-makers learn about other's policies with the end of (re)creating and/or reforming their policies.⁴⁷ The scenarios and fora in which the EES is developed facilitate the process of learning and lesson drawing. The EES represents a shortcut to member States because they have all sorts of information available (on how to solve a problem), and have a permanent scenario to discuss

⁴⁷ Another feature of the EES process is the presentation of "good practices" (successful policy models to deal with problem X) by member States at the supranational level and in the NAPs. Thus, member States have available a 'menu' of successful examples of problem-solving strategies. In addition, these 'good practices' represent potential courses of action.

all types of possible solutions. Thus, member States do not have to engage in searching “sources of lessons” because the supranational institution and other Member States provide them.⁴⁸

The EES frames the process of policy formulation because it provides a general policy line (what types of policies are desirable at the national level given the European policy agenda?) to member States. The information diffused by the EES informs the administrators of labor market policy about a set of general courses of action to achieve competitive status in the EU and the world market (and to form part of a common European strategy for development). Thus, when formulating employment policy in Spain, policy-makers manoeuvre within the policy space dictated by the EES. They are aware that if they do not so, they risk their chances of not increasing their level of competitiveness.⁴⁹ Moreover, by informing policy-makers about which policies are desirable (and undesirable) the EES *restricts and limits* the range of policies that could be considered when (re)formulating policies because it establishes the policy limits.

The following model illustrates my argument. Let us assume that when engaged in the process of policy (re)formulation, national policy-makers and civil servants choose one policy line from a policy set {A through Z}. For example, when referring to the allocation of active vs. passive labor market policies in a member States, national (and/or sub-national) policy-makers can choose any point within {A through Z}; A=100% passive labor market policies, and Z=100% active labor market policies (B through Y represent different allocations of passive vs. active labor market policies).⁵⁰ Moreover, at any point within the passive/active range, there are subsets of possible solutions (programs, policy, institutions) that a member States can develop. For example, if policy-makers decide to develop a system with 50% of passive and 50% active policies (point N), there are ‘n’ institutional configurations that they could develop. In this sense, $N = \{N_1, N_2, N_3, \dots, N_n\}$.⁵¹

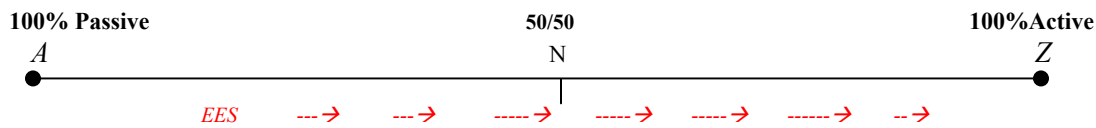
⁴⁸ Rose (1993) argues that the first stage of ‘lesson-drawing’ is searching sources of lessons.

⁴⁹ In addition, national officials do not want to be ‘shamed’ at the supranational level (peer pressure and peer review process).

⁵⁰ Given that the EES is composed of a set of general guidelines and its based on the principle of subsidiarity, member States still have the flexibility to create their own versions of their institutions and policies to fit their reality (cultural, political, institutional and economic).

⁵¹ The letter refers to policy line, and the number to institutional configuration.

Diagram 2



The EES dictates that member States should move towards Z (activation), while maintaining security. Thus, in member States where the allocation of active labor policies has been very low (Spain is an example), the EES have pushed them to move towards Z (activation). Moreover, by ‘drawing lessons’ from the process attached to the EES (peer-reviews, exchange of best practices, EMCO committees, etc.), the administrators of policy in member States are able to be informed about other member States’ policy lines and institutional configurations; for example, P5 in The Netherlands and F3 in Greece. This extra set of information helps national policy-makers to (re)formulate where they want to be located in the policy line (passive vs. active), and about potential shapes and scopes of policy line (types of policies and/or programs). In this sense, the EES establishes the limits of the range of possibilities, and policy and institutional solutions that member States’ policy administrators should consider when formulating policy. Moreover, if a member State has already active labor policies in place (closer to Z than to A), or it has been actively adopting active labor policies (moving towards Z), the EES reinforces the development and maintenance of active labor policy in this member State.

Agenda Setting

The ‘soft pressure’ coming from Europe, through the EES, pushed national actors to reconsider, or to fully reinforce, their policy positions during the stage of policy formulation. The EES frames certain policy lines and institutions as ‘necessary’ to develop and to maintain a healthy and productive workforce and economy. As I have explained above, if an actor already perceives policy X as a priority, the EES reinforces this set of beliefs during the stage of policy formulation. However, if an actor does not perceive policy X as a priority, the EES has the power to redefine policy-maker’s calculations and views about the degree of need of certain policies. Consequently, policies can move at the top of the agenda because national policy-makers rethink their definitions and their rankings about what constitutes necessary policy. Moreover, once policy ‘X’ is seen as necessary by policy-makers, the chances of putting it into place increases.

The re-ranking of policies pushes national actors to reformulate courses of action that otherwise they would not have followed. In this case, reformulation of policy occurs because a

group of national policy-makers visualize policy 'X' as necessary, plus 'the shadow of Europe' is present. Moreover, this stage of reformulation opens the door for (further) bargaining and potential cooperation among involved parties. To increase the chances of bargaining and cooperation, involved actors always have the option to quote 'Europe' to legitimise their actions to their colleagues and members of other organizations. In addition, policy-makers and civil servants are aware that in the future (once policy is in place) they will always have the possibility of referring to 'Europe' as a justification to legitimise their actions in the eyes of the public. Thus, throughout the process of policy formulation policy-makers may resort to the tactic of 'it is necessary because Europe said so' to persuade other national actors to reformulate their position with the end of bargaining, potential cooperation and coordination on the matter.

In sum, I have argued that when referring to the process of policy formulation the process attached to the EES allows administrators of labor market policy: a) **to consider policies that did not form part of the repertoire of possible solutions**, b) **to reconsider policies that were considered too costly by member States**, and/or c) **to strengthen and reinforce current national policies that follow the line of the EES**.

In this paper, I have presented data to illustrate how the EES has affected the process of policy formulation at the national and sub-national levels in Spain. Moreover, I have provided a set of explanations to understand how the 'soft' pressure and the information coming from Europe impacts member States' policy processes. On further extensions of this work, I will analyse the Belgian and the Swedish case with the end of comparing and contrasting the effect of the EES across countries and across levels of governments. Moreover, one of the main objectives of the project is to develop a theoretical framework to explain the commonalities and the differences of the impact of the EES in member States.

APPENDIX—The European Employment Strategy and Spain

Background Information⁵²

Spain is a Parliamentary Democracy composed of seventeen *Comunidades Autónomas* (Autonomous Communities, CCAAs) and two cities (Ceuta and Melilla). Moreover, *an El Estado de la Autonomías (State of Autonomies)* is a decentralized state.⁵³ Since 1996, the Spanish national government engaged intensively on a complex process of devolution of competences to the CCAAs. On the policy area of employment and policy for the unemployed and the inactive population, the INEM (National Institute for Employment), the national institution in charge of employment policy (under the umbrella of the Ministry of Labor), has transferred to the sub-national level the responsibility for most active labor policies.⁵⁴

In addition, the *Fundación Tripartita para la Formación en el Empleo* (Tripartite Foundation for Employment Training), an independent national tripartite foundation-- government, employers' organizations and trade unions-- in charge of organizing, managing and distributing further training for workers (employed), has devolved its jurisdictions to the CCAAs.⁵⁵ Thus, in Spain the CCAAs have become increasingly responsible for the organization, management, distribution and implementation of active labor market policy. The national government retains the financial responsibility for the management of funds and subsidies. Moreover, the central government still defines the objective and the goals of Spanish active labor market policy. Finally, this entity regulates the labor relations and the labor market.

⁵² For an overview of the Spanish labor market institutions, procedures and employment policy measures refer to “National Labour Market Policy in Spain: Basic Information Report on Institutions, Procedures and Employment Policy Measures,” MISEP, General Secretariat for Employment, Sub-directorate-General for employment studies, 2002.

⁵³ For a description and explanation of the ‘Estado de las Autonomías’ and its federalization, refer to Moreno (2001).

⁵⁴ Royal Decree 11/2001 (January 12th), Royal Decree 664/2001 (June 22nd), Royal Decree 1187/2001 (November 2nd), Royal Decree 1268/2001 (November 29th), Royal Decree 1379/2001 (December 7th), Royal Decree 1418/2001 (December 14th), Resolution of January 17th 2001 Cooperation Agreement between INEM and the Autonomous Community of Canarias for coordinating the management of employment and unemployment benefits (Spanish Official Journal, February 13th, 2001), Resolution of January 17th 2001 Cooperation Agreement between INEM and the Autonomous Community of Madrid for coordinating the management of employment and unemployment benefits (Spanish Official Journal, February 13th, 2001), Resolution of December 3rd 2001 Cooperation Agreement between INEM and the Autonomous Community of Valencia for coordinating the management of employment and unemployment benefits (Spanish Official Journal, December 27th 2001). For an overview of the current system refer to Royal Decree 1046/2003 from August 1, 2003 (Spanish Official Journal, September 12, 2003).

⁵⁵ On December 19, 2000 the government, specifically the INEM, joined forces with *La Fundación para la Formación Continua* (FORCEM) to manage continuous training (training for the employed). FORCEM (Fundation for Continous Training), was an independent institution managed by employers and trade unions, was solely responsible for further training for the employed until 2000 when the government joined them (on the framework of social concertation).

The ‘Planes Nacionales de Acción para el Empleo’ (PNAEs or NAPs)

In Spain, the first stage of the NAP drafting process is directed towards its coordination, and the collection of information from the involved ministries. The Ministry of Labor and Social Affairs, specifically the General Secretary of Employment, is responsible for the delivery of the NAP to the European Union. Specifically, the Division for Employment Studies (a division of the Ministry of Labor and Social Affairs) coordinates the process of drafting the NAP, and the INEM is the governmental body responsible for creating the first draft of the NAP.

Representatives of the Ministry of Labor, the Ministry of Economy, the Finance Ministry, the Ministry of Science and Technology, the Development Ministry, the Ministry of Agriculture and the Ministry of Education⁵⁶ form part of an interministerial commission that was created with the end of exchanging information related to the framework provided by the Employment Guidelines.⁵⁷ Each ministerial representative represented at the interministerial commission provides information about policies and/or programs that are in the process of being implemented (in the light of the current budget).⁵⁸ In addition, they deliver information about the programs and policy that were already in place in their entities, that they did not have the necessary information and/or the data to be presented in the NAP from the previous year (because the information was not available or because the program was not implemented on time). After all the information is gathered from the Ministries, the Unit processes it for Employment Studies and the INEM to fit the structure of the NAP (and its pillars).

Concurrently, the INEM’s working group⁵⁹ includes the CCAAs in the NAP process. The main goal of this working group is to discuss and collect all relevant information related to active labor market policy. On average, every year, the INEM and the CCAAs meet four to five times to discuss matters relevant to the NAP and employment policy. In addition, the CCAAs and the INEM use the existing administrative mechanisms to gather relevant data and information (for example, how many people have been participating in unemployment and employment services and programs, tentative measures related to active labor policy to be developed by the CCAAs in the near future, etc.). CCAA’s contributions are formally gathered by la Conferencia Sectorial

⁵⁶ On some occasions, the Ministry of Defense has formed part of these meetings.

⁵⁷ In addition, each ministry created their internal group for the discussion, drafting and development of the NAP.

⁵⁸ The interviewee pointed that during the first years of the process, the interministerial meetings were very formal, but lately they have become more informal since they know each other and they have been working together on it for many years.

⁵⁹ This one of the most relevant internal working groups since it gathers data related to active labor market policy (employment and unemployment measures and policies). Moreover, the INEM is the national entity that finances and organizes labor market policy in Spain. Although it works under the umbrella of the Ministry of Labor and Social Affairs, the INEM is a very powerful and independent entity.

(Sectorial Conference)⁶⁰, a political institution composed by the national Ministry of Labor and Social Affairs, and the Ministers of Labor from all CCAAs. In addition, the CCAAs' general directors in charge of employment, training and education, and social affairs meet informally, as well, to discuss the policies and contributions that will be included in the Spanish NAP. Members of the Sectorial Conference must approve the final draft of the NAP.⁶¹ The importance of this scenario becomes salient when we consider that the CCAAs implement and manage most of the active labor policies in Spain.

Social Partners and Their Participation

In Spain, the peak trade unions (Union General de Trabajadores and Comisiones Obreras) and the peak employer organization (Confederación Española de Pequeñas y Medianas Empresas) are partially involved in the NAP process. The social partners hold a limited number of meetings with the INEM. In this process, the government collects social partners' agreements and initiatives (between the social partners, and between the social partners and the government) that are included in the Spanish NAP.⁶² Once the government drafts the NAP, the proposals from the government are revised and evaluated by the social partners,⁶³ and they provide suggestions to the government about the document. Jointly, the social partners draft a text that summarizes the initiatives, agreements and achievements that fit the framework of the Employment guidelines. In some occasions, for example on the year 2000, social partner's contributions were included as an additional chapter (an annex) in the NAP. However, it was pointed out that the social partners did not have too much time to discuss their own opinions and points of view since they, primarily, focus on the drafts produced by the Ministries and the INEM.⁶⁴

When referring to the level of satisfaction about the NAP process it is important to point out that the trade unions tended to be more critical of the government and its procedures than the

⁶⁰ The Intersectoral Conference has also been very active in the process of devolution of jurisdictions to the CCAAs. The main objective of this body is to discuss the budget destined to active labor market policies in the CCAAs and to propose modification to the policies already in place.

⁶¹ In addition, the CCAAs are responsible for choosing 'best practices.' The representatives of the CCAAs, not the INEM, choose three examples of 'best practices' and those are the ones presented to the European Commission.

⁶² For example, the Agreements on Continuous Training (training for the employed) have been included in NAP to cover the pillar related to lifelong learning.

⁶³ Thus, the trade unions and the employer's organization have not formed part of the initial process of drafting of the NAP.

⁶⁴ For more information about trade union's position and evaluation of the Spanish National Action Plan, refer to "Valoración de UGT y CC.OO de la Evaluación Realizada por el Gobierno del Plan Nacional para el Empleo 1998," "Propuestas de UGT al "Plan Nacional para el Empleo 1999", "Valoración de UGT y CCOO al Plan Nacional para el Empleo 2000," "Propuestas de UGT al Plan Nacional de Acción para el Empleo de 2001," and "Valoración y Propuestas Sindicales al Plan de Acción para el Empleo de 2002." Moreover, see "Observaciones Preliminares al Plan de Empleo del Año 2002" for CEOE's opinion.

employer organization.⁶⁵ Interviewed trade unions members mentioned that in some years (for example on the year 2001), as a consequence of their limited participation at the national level, they consider the possibility of delivering their proposals directly to Brussels. Members of the Spanish trade unions consider the Spanish NAPs to lack a strategic component because it is a recompilation of policies that are already in place. Thus, there are no innovative policies in the NAP. The only change that they see happening is an increase in the budget destined to active labor policies. In addition, interviewed trade unionists pointed out that the EES has helped to articulate the relationship between the government and the CCAAs, and that has created a notion of a long-term strategy and plan (vis-à-vis a pragmatic approach) to tackle issues related to employment.

When referring to collective bargaining and social dialogue, members of the trade unions believed that recent collective agreements between the social partners and the government⁶⁶ were not directly linked to the strategy. They see both processes as parallel process, and nothing more than that. They view tripartite agreements as independent from the NAP process; and they argued that the social partners followed their own dynamics and, some way or another, they have referred to the goals of the strategy if they felt that they fitted their needs and goals.⁶⁷ Moreover, their dissatisfaction with the NAP process and the strategy does not translate into the national social dialogue. They believe that indirectly they are involved in the implementation of the strategy since many of the goals established by the strategy are discussed and put into place by agreements reached through social concertation.⁶⁸

⁶⁵ I found out that there are different views about the NAP. On one hand, representatives of the trade unions expressed their high level of dissatisfaction about how their proposal and suggestions are not taken into account by the government. They consider that the government does not include them in the process, does not provide them sufficient information about the guidelines and the pillars, and does not take into account their views. Moreover, they contended that their participation in the NAP drafting process and on later stages of the strategy (monitoring, evaluation and implementation) is very limited and almost non-existent. On the other hand, the administration believes that the national government is ultimately responsible for the NAP. Therefore, the government needs to account for all aspects of it. Moreover, representatives of the employers' organization (CEOE) mentioned that the government responsibility is to govern. Thus, they do understand their limited participation in the process since most areas of employment policy are government's competences.

⁶⁶ Since 1997 in Spain, there have been several inter-confederation agreements on Employment Stability (AIEE, 1997), on Collective Bargaining and Negotiations (AINC, 1997) (2002), on Continuous Training, and on extra judicial solutions of conflicts.

⁶⁷ For example, on December 2002 the social partners signed an interconfederal agreement that placed employment (its creation and maintenance) as their number one priority.

⁶⁸ For more information, refer to <http://www.eiro.eurofound.ie/2003/10/tfeature/es0310109t.html>.

Other Groups and Organizations

Several Spanish groups and organizations collaborate in the NAP process. For example, Fundación ONCE (Foundation for Cooperation and the Social Integration of People with Disabilities) participates in the NAP process by submitting their initiatives to the INEM, which are included in the NAP section regarding handicap population. In addition, the Red Cross and the Gypsy Secretariat (representing a significant minority group in Spain) have been included in the process.

Another organization that has participated in the process attached to the European Employment Strategy is the ‘Federación Española de Municipios y Provincias or FEMP’ (The Spanish Federation for Municipalities and Provinces) an institution created at the beginning of the eighties with the end of coordinating and promoting the participation of local entities within the constitutional design of the ‘Estado de las Autonomías’ (the State of the Autonomous Communities). The nature of FEMP’s participation in the NAP process has been similar to the one experienced by the social partners. Members of the FEMP get a copy of the final draft of the Spanish NAP. Furthermore, they are able to submit suggestions to the INEM about the role and the importance of local entities when referring to active labor market policy. Moreover, the local entities, per se, do not have a participation in the NAP process and possess limited information about the EES process. The interviewee at FEMP contended that the model attached to the NAP is not efficient given that is grounded on a ‘top-down’ approach. In order to be effective, he argued, the NAP must be based on a ‘bottom-up’ approach in which the localities and the provinces play a protagonist role by submitting their own local action plans that are later gathered and converted into Regional Action Plans, and that the RAPs ultimately should represent the backbone of the National Action Plans.

An example⁶⁹ of an interesting initiative to diffuse the EES at the local level was the pilot program ‘Proyecto Pléyade: Difusión e Implantación de la Estrategia Europea por el Empleo en el Ambito Local’ (The Pléyade Project: The Diffusion and Implementation of the European Employment Strategy in the Local Ambit)⁷⁰. The objective of this project (funded by the European Commission and organized by FEMP) was to develop the local dimension of the

⁶⁹ In Spain the ESF has funded many projects for the promotion and creation of local strategies for employment. For other examples of current projects for the promotion and creation of local employment strategies, refer to www.granadadesarrollo.com/proyectos/art6fse.index.asp. Currently there are projects under article 6 of the ESF in Cádiz, Cuenca, Cantabria, Granada, Extremadura, Navarra, Huelva, Cataluña, Castilla y León, and Pontevedra.

⁷⁰ The municipalities that participated in the project were Valladolid, Albacete, Plasencia, Conil de la Frontera and Castuera. For more information about this project refer to “Guía para la Actuación Local a favor del Empleo: Los Planes Locales de Acción para el Empleo,” Difusión e Implantación de la Estrategia Europea por el Empleo en el Ambito Local. Proyecto Pléyade.

European strategy with the end of providing local entities the tools to: a) improve their employment institutions and programs; and b) to analyse and evaluate (instruments and methodologies) employment and their labor market policies. Moreover, each municipality drafted their own Local Action Plan (Plan Local de Acción por el Empleo, PLAE) that incorporated the guidelines, the pillars, the indicators, and the recommendations of the European Employment Strategy. In addition, the project encouraged ‘territorial concertation’,⁷¹ ‘administrative concertation’, and ‘social concertation’; in other words, ‘Proyecto Pléyades’ promoted the participation and cooperation among different entities and organizations that are involved in the management and the creation of labor market policy at the local level (territories, administrations, and social partners).

⁷¹ The project defined ‘territorial concertation’ as the result of cooperation between different divided territories (referring to different jurisprudence) that form a **single** area of the labor market in the design and the implementation of local employment policies.

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