

## **The advocacy coalition for European employment policy – The European integration process after EMU**

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### **1. Introduction<sup>1</sup>**

The Amsterdam Treaty (1997) was the first treaty in the history of the European Community to include a chapter on employment. This chapter would appear to have set the stage for a new phase in the European integration process, one in which Europe's social agenda is being broadened considerably and which has seen a tightening up of the decision-making procedures agreed in the employment chapter, coined the "open method of co-ordination" in Lisbon (March 2000). At the Lisbon Summit, the European Council resolved to launch a programme to combat poverty and social exclusion, and in Stockholm (March 2001), it placed the modernising of social protection, and in particular pension systems, on the agenda.<sup>2</sup>

The inclusion of the employment chapter in Amsterdam was also unique in the light of the agreements reached in Maastricht in December 1991. The need for an employment chapter had not even been mentioned at that point. Instead, it had been decided to convene a new Intergovernmental Conference (IGC) in 1996 to consider amendments to the Treaty on European Union necessitated by the European Union's enlargement to Central and Eastern Europe, a possibility that had arisen after the fall of the Berlin Wall in 1989. At the Amsterdam European Council (June 1997), where the IGC would conclude with a revised Treaty, Europe's government leaders were unable to agree on the necessary institutional reforms for enlargement (they only did so at the Summit in Nice in December 2000). They did, however, add a new chapter to the Treaty on European Union concerning employment policy. This was a striking move; employment policy could not by any means have been regarded as a deliberate "leftover" of the Maastricht Summit. After Amsterdam, employment

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<sup>1</sup> We gratefully acknowledge the constructive comments we received from two anonymous referees from the Dutch journal 'Beleid en Maatschappij', as well as the suggestions placed in the Dortmund conference, which have resulted in an improvement of this text.

<sup>2</sup> For more information on the open method of co-ordination, see Hodson and Maher (2001).

policy in fact became a permanent fixture on the European Council's agenda; indeed, it came to dominate that agenda, with each presidency of the Council attempting to make its own mark on the policy. The open co-ordination method which was in essence introduced by the employment policy has also set an example for procedure in this context.

In the following we offer a closer analysis of how the EU's employment policy developed. Our assumption is that amending the Treaty on European Union involves a constitutional choice. There are two theoretical approaches which attempt to explain such constitutional choices: intergovernmentalism (IG) and neo-functionalism (NF). The difference between these two philosophies essentially turns on the following two points: a) the role of the Member States versus the role of the Community's institutions in the integration process and b) the degree to which the European integration process moves along under its own power.

According to Goetschy (1999), Europe's employment policy has its roots in a complex mixture of intergovernmental forces, supranational factors and spill-over effects. On the basis of in-depth analysis of primary documents, we attempt to reduce this complexity, by responding at the following question: How can the constitutional choices with regard to the emergence of the European employment policy theoretically be explained? Our most important aim in this comparison is to determine what is special about the common employment policy, which – as we mentioned – signalled the start of and set an example for the new social policy initiatives within the EU.

## **2. The inadequacy of the intergovernmental explanation**

It was Andrew Moravscik who took the IG explanation the furthest, in his book *The Choice of Europe* (1999). His version involves three steps. In the first step, the preferences of the Member States are explained. Moravscik assumes that these preferences are determined by domestic political forces and interest groups, that they are stable and that they are furthermore exogenous with respect to the specific international political context<sup>3</sup>. The second step is to explain the negotiating outcome. The most important assumption is that the Commission and the European Parliament play a marginal role in such negotiations; the negotiating outcome can therefore be explained by the Member State preferences in the first step and by the Member States' respective negotiating positions (which in turn depend on the intensity of

their preferences, i.e. the relative importance that is attached to a particular outcome). The third step involves explaining the procedural form in which the negotiating outcome has been cast. Briefly, Moravscik assumes that the Member States' preferences are formed in a domestic vacuum and that the Member States then toss these preferences into the Brussels negotiating ring<sup>4</sup>.

We believe that the above explanation of the employment chapter is unsatisfactory on three counts:

- First, because the European context was essential for the presence of an employment policy on the European agenda;
- Secondly, because the Commission and the European Parliament did in fact play an important role in formulating the employment chapter and getting it placed on the IGC agenda;
- Thirdly, because the preferences of the three most important Member States changed during the course of the IGC and can therefore hardly be described as stable.

The European context is shown to be particularly significant when we consider the time and place at which the European Council added the subject of employment to the agenda – the Copenhagen Summit in June 1993 (see below a chronology of events in European employment policy)<sup>5</sup>.

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#### **Chronology of events leading to the creation of a European employment policy**

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December	1992	Edinburgh European Council: conclusions refer to aiding economic recovery.
June	1993	Copenhagen European Council: unemployment and recession are the key topics of this European Council. Commission instructed to prepare a White Paper on Growth, Competitiveness and Employment.
December	1993	Brussels European Council: an action plan adopted to combat unemployment, based on the White Paper.
June	1994	Westendorp reflection group set up to prepare the IGC. Lobby to get employment put on the IGC agenda.
December	1994	Essen European Council: five priorities determined against which the Member States' labour market policy would be assessed each year.
June	1995	Westendorp reflection group commences.
March	1996	Benelux memorandum on impending IGC. Proposals for including an employment chapter in the Treaty.
March	1996	Turin European Council marks official start of the IGC: employment is on the agenda.
December	1996	Dublin European Council: draft proposal to amend Treaty.
June	1997	Amsterdam European Council: employment chapter added to Treaty.

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Source: Based on Van Riel and Metten 2000:126.

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<sup>3</sup> Moravscik 1999:24.

<sup>4</sup> See Peterson and Bomberg 1999:15.

<sup>5</sup> The factual information on the emergence of the employment policy in this and the following section is based on Van Riel and Metten 2000, Chapter 5.

In 1992-1993, unemployment was on the increase in the European labour market, not only in Germany (an effect of Germany's reunification) but also in the other Member States. Eighteen million people were out of work in all, and according to the OECD's Jobs Study, part of the problem was structural in nature. The Danes then rejected the Maastricht Treaty, and public support for European integration began to falter. The decline in support was not restricted to Denmark alone; it also showed in the tiny margin by which the Maastricht Treaty was ratified by the French, and in the surveys conducted by the Commission to monitor support for integration in the Member States. The European Council responded to this crisis of legitimacy by resolving to respond more effectively to the public's concerns. In other words, to borrow from Scharpf (1999: 6-7), it resolved to place the legitimacy of policy output above the policy input. In Copenhagen, the Council concluded that "...only by proving that the Community is instrumental in contributing to the security and well-being of all the citizens can the Community count on continued public support for the construction of Europe". That meant that the Community would take collective action to reduce unemployment. The Copenhagen European Council gave Commission president Jacques Delors the job of drafting a White Paper on this subject.

The White Paper on Growth, Competitiveness and Employment was presented at the Brussels Summit (December 1993). Elements of the White Paper are immediately identifiable in the action plan adopted during this Summit to combat unemployment. The Brussels action plan focused on determining a common framework that would serve as a reference for the Member States' policy. Every year, starting in December 1994 at the Essen Summit, the European Council would evaluate the action plan (for example by reviewing a report on national policy measures) and adjust it if necessary. This plan in fact already provided the rough outlines of the employment policy later codified in the Amsterdam Treaty. The first action plan agreed at the Brussels Summit stipulated measures which were to have the attention of the Member States, and all those measures were later incorporated into the first official guidelines for employment policy for 1998. The only new element was the guideline on equal opportunity policy.<sup>6</sup>

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<sup>6</sup> For the Brussels action plan see: Bulletin of the European Communities 12/1993, pp. 8-9. The elements of this action plan were: improvement of education and training systems; more flexible labour markets; modernisation of labour market organisation; lowering of the tax and social insurance burden for low-skill workers; transition to an active labour market policy; specific attention paid to training young people; trends in employment related to new needs in the area of environmental protection and the quality of life; and more attention paid to the employment potential of small and medium-sized enterprises.

This is not, however, the only area in which it is possible to detect the Commission's influence on policy. The Commission, together with the European Parliament, also played an important role in getting employment put on the agenda of the IGC. After the Brussels Summit, employment found its way on to the European Council's agenda, where it remained. Employment then had to be turned into a issue for the IGC, which would commence in 1996. The IGC agenda was to be prepared by a reflection group under the chairmanship of Carlos Westendorp, Spain's Minister for European Affairs. Uniquely, this group included not only representatives from each of the Member States and the Commission, but also two MEPs. The European Parliament was the only participant to submit a detailed proposal for the IGC's agenda.<sup>7</sup> It wanted to add an employment chapter to the Treaty and was supported in this aim by the Commission. The Commission's viewpoint had been strongly influenced by the former Swedish Finance Minister, Allan Larsson, who was appointed Director-General of the Commission's DG V (employment) after Sweden's accession. Larsson (1998) was a major proponent of the employment chapter in the Treaty and, at the request of the Swedish prime minister, Ingvar Carlsson, had written a paper in April 1995 entitled "A vision for IGC 1996: A European Employment Union - to make EMU possible". Larsson was also the chairman of an influential working group set up by the Party of European Socialists (PES) to produce a strategy for a European Employment Initiative. Another member of this working group was the Dutch minister of Social Affairs and Employment, Ad Melkert.<sup>8</sup> It was the Swedish representative Gunnar Lund, formerly Larsson's state secretary, who submitted the first detailed proposal for an employment chapter to the Westendorp reflection group in September 1995, on behalf of the social democratic Carlsson government. The proposal could count on the immediate support of the MEPs and the Commission. Within the reflection group, then, a coalition was formed between the European Parliament, the Commission and representatives of the Member States, with Sweden playing a leading role. It is impossible to separate Sweden's reasons for advocating the inclusion of an employment chapter in the Treaty from the European context. The social democratic government of Sweden, a newcomer to the EU, was under intense pressure to allay its sceptical population's fears. To make it clear to them that accession to the European Union would not mean the end of the Swedish model, a significant part of this model – the active labour market policy and the goal of full employment – would have to be exported to Europe.

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<sup>7</sup> Corbett (1998:372).

<sup>8</sup> Johansson (1999:90-91).

The third reason why we believe that an intergovernmental explanation for the EU's employment policy is unsatisfactory has to do with the negotiations in the IGC. Initially, three countries were against including the employment chapter; eventually, they abandoned their original preferences<sup>9</sup>. If we inspect a list of memorandums on the IGC sent by the governments of the fifteen Member States to their parliaments just before the IGC commenced, we see that only the British government openly opposed including the employment chapter in the Treaty, and that only the French and German governments failed to deal explicitly with the employment chapter.<sup>10</sup>

The pivotal event between the Dublin and Amsterdam Summits, the event that made it possible for all the Member States to lend their support to the proposed employment chapter, was the change of government in Great Britain on 1 May 1997. There are two reasons for this: first, had the Major government been re-elected, a British veto in Amsterdam would have been inevitable. Secondly, Tony Blair's impending victory forced the German and French governments to agree to include the employment chapter. They could no longer get away with hiding behind a possible British veto. Because the social democratic oppositions in both countries had turned inclusion of the employment chapter into a domestic political issue, the electoral price to be paid for refusing would have been a heavy one. Indeed, for the Juppé government agreeing to include the employment chapter came too late. It lost in early elections to the socialist Lionel Jospin, who cleverly took the credit for the outcome of the Amsterdam Summit in June 1997, without, however, a single letter of the draft Treaty having been changed. Put under pressure by Jospin, the Amsterdam European Council adopted a resolution on growth and employment, and decided to call an extra Summit in Luxembourg in November 1997 so as to implement the new chapter of the Treaty as quickly as possible.

The German government ultimately agreed to inclusion of the chapter after it was specified that the employment policy would concentrate on education, training and more labour market flexibility. The German government also wanted guarantees that a common employment policy would not cost extra money.<sup>11</sup> None of these issues were new ones, however.

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<sup>9</sup> Moravcsik and Nicolaïdes (1999:68) have also noted the change in the Member States' preferences, but find the inclusion of the employment chapter "of modest importance".

<sup>10</sup> See: European Parliament, Intergovernmental Conference Task Force, 'White paper on the 1996 intergovernmental conference', vol. II: summary of the positions of the member states of the European Union with a view to the 1996 conference, PE 165.963. Youngs's (1999:307) argument that the vast majority only started to become enthusiastic about an employment chapter in early 1997 is therefore incorrect.

<sup>11</sup> Nevertheless, considerable Community funds have been made available – indirectly – for the employment policy, the result of the reform of the European Social Fund within the context of the Agenda 2000 operation.

### 3. The inadequacy of the neo-functional explanation

Does the NF explanation offer a more profound understanding of the factors that led to the inclusion of the employment chapter in the Treaty? According to the NF explanation, the Commission is the motor driving the integration process. The Commission unites the interests of the Member States and gives a new impetus to the integration process, leading to “functional spill-overs”. When used to explain the emergence of the employment policy, this idea entails that the Commission had provided the decisive incentives for a European employment policy, exploiting the Member States’ common interest in having such a policy after the start of Monetary Union.

We believe that the NF explanation is unsatisfactory for two reasons:

- First, the role of the Commission was not as dominant as proposed;
- Secondly, the functional spill-over from Monetary Union to the employment policy, supposedly decisive for the Member States, simply did not take place.

As explained in the previous section, the Commission did play an important role in the emergence of the EU’s employment policy. Elements of Jacques Delors’s White Paper can be identified in the first employment guidelines. Nevertheless, the White Paper on Growth, Competitiveness and Employment did not play as dominant a role as, for example, Delors’s 1985 White Paper in which he set a significant part of the agenda for the Internal Market project. The European Council ignored precisely those sections of the White Paper on Growth, Competitiveness and Employment to which Delors attached the most importance: the creation of European employment instruments enabling the Commission to exercise an significant level of influence

The White Paper put forward a whole range of different proposals, of course. Alongside the above-mentioned proposals to improve the operation of the labour market and to introduce an active labour market policy, it also proposed investing in the European infrastructure – the Trans-European Networks (the TENs) – and lowering the German short-term interest rate and quantitative targets for the number of new jobs in 2000. The TENs would be financed with European loans. These proposals, which would have come down to creating Community employment instruments, were rejected by the Ecofin Council, however. Delors subsequently locked horns with what Commission circles referred to disparagingly as “the bookkeepers”. Delors ultimately drew the short straw and the European Council took Ecofin’s side. Delors

was therefore only partly successful in his White Paper bid to influence the European Council's agenda, as he had been a decade earlier with his White Paper on the internal market. The European Council began to play a much more active role in co-ordinating employment policy after the Brussels Summit (December 1993), seemingly at the expense of the Commission's agenda-setting role.

Although the Commission and the European Parliament had admittedly played a significant role in getting employment policy on the IGC agenda, the role of the social democratic Member States – and in particular Sweden – must not be underestimated. The fact that a growing number of Member States supported the inclusion of the employment chapter had little to do with functional spill-overs. Indeed, had there been any such spill-over, one would have expected the Member States to compensate for the loss of national policy instruments through the channel of Monetary Union by insisting on Community instruments. Attempts by the Commission to put such a set of instruments in place, however, were fiercely contested by the Member States, as described above, including Member States like the Netherlands which later advocated including the employment chapter in the Treaty. The basic premise of the Benelux memorandum presented prior to the start of the IGC was that an employment policy should not involve any transfer of authority from the national level to Brussels, should not cost any extra money, and should respect the EMU criteria completely.

Spill-over functions also did not play any role whatsoever in the arguments put forward by the proponents of the employment policy. Larsson, who was a major influence on the employment policy, believed that Monetary Union and the active labour market policy – which he regarded as the core of the EU's employment policy – were both necessary to reduce the high level of unemployment in Europe<sup>12</sup>. In his view, Monetary Union would go a long way towards absorbing economic shocks and the active labour market policy would prevent such shocks from having a permanent impact on the labour market. Nowhere, however, does Larsson suggest that Monetary Union would require a common employment policy. Indeed, this would be a difficult argument to substantiate in theoretical terms<sup>13</sup>.

#### **4. Why is neither explanation adequate for the emergence of the European Employment Policy?**

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<sup>12</sup> See Larsson 1998.

<sup>13</sup> See, for example, Calmfors (2001) and Norbert & Fehn (2000).

We have found that the inclusion of the employment chapter cannot be clarified adequately by either of the prevailing explanations for constitutional choices in the EU. In our view, there are two reasons for this which we will look at more closely in this section:

- The proponents and the opponents of the employment policy were divided largely along political lines; it was not the case that the Commission and the European Parliament took one side and the Member States the other.
- The reason for the employment policy must be sought mainly in a need to legitimise the decision to create a Monetary Union; it was not a response to the loss of national policy instruments owing to the internationalisation of the economy or to the European integration process itself.

*The social democratic coalition for employment policy*

Both the intergovernmentalist (IG) explanation and the neo-functionalist (NF) explanation divide the parties involved in the integration process into two camps: the Member States on the one hand and the Community institutions on the other. The two approaches differ, however, in who they identify as the dominant party in this process: IG sees this as the Member States and NF as the Commission. It is, however, difficult to determine which of the parties dominated the process of creating the employment policy. With its White Paper, the Commission had an unmistakable impact on the employment policy, and it also played a role in getting employment placed on the IGC agenda, along with the European Parliament. On the other hand, the Commission and European Parliament were in fact given the leeway to act by the Member States, the European Council to some extent took over the agenda-setting role of the Commission, the majority of the Member States found it important to put employment on the IGC agenda, the Member States did not adopt significant parts of the White Book, and finally, the employment chapter would have never been included in the Treaty had three of the most important Member States not done an about-turn during the IGC.

Instead of making a more or less arbitrary decision as to which party dominated, the Commission or the Member States, we believe it would be more productive to describe the proponents and opponents of the employment chapter as being divided largely along political lines (and not between Community parties and the Member States). It was, above all, the coalition between social democrats in the European Parliament, the Commission (DG Larsson) and the various Member States which ensured that employment was placed on the IGC agenda. The leading opponent was the conservative British government. The French

Gaullist government and the German Christian Democrat government hid behind the British government's opposition. That explains why the Labour Party victory in Great Britain was such a decisive factor.

Oddly enough, in all the various theories about European integration, none of the explanations for constitutional choices considers the idea of such "advocacy coalitions". Advocacy coalitions are deemed to play a role only after constitutional decisions are implemented and executed<sup>14</sup>.

We do not wish to suggest that the Commission and the Member States co-existed in complete harmony. As described above, the Commission and the Member States fought one another tooth and nail about the use of Community funding for the employment policy and about who would control that policy. The battle was decided in the Member States' favour: the procedure proposed for co-ordinating the employment policy (see Article 128 EC Treaty) accords the Commission a role only in drafting and evaluating the policy. The European employment policy mainly involves formulating and evaluating the Member States' common policy orientations. The Commission's role is restricted to drafting the Council's recommendations to the Member States. The Council may deviate from these recommendations without further ado. In addition, the Member States monitor and influence the Commission's policy intentions via the Employment and Economic Policy Committees. Klaas De Vries, former Dutch Minister of Social Affairs and Employment, once said on this subject that "Because the Council and its official gatekeepers play a decisive, identifiable role, the Commission cannot exercise too dominant an influence on European employment policy. Employment is primarily the Member States', and therefore the Council's, affair".<sup>15</sup>

The struggle between the Commission and the Member States was therefore focused on *what* the European employment policy would look like, and not on *whether* there should be such a policy. It is important to note in this connection that the intergovernmental *nature* of the chosen co-ordination procedure says nothing about the validity of the intergovernmental *explanation*.

#### *Legitimacy of EMU as reason*

In our view, the European employment policy – i.e. the formulation and evaluation of common policy orientations – was created primarily to enhance the legitimacy of the EU. The

<sup>14</sup> See Peterson and Bomberg 1999:16ff and Rosamond 2000:123ff.

<sup>15</sup> Letter by Minister to the Second Chamber of the Dutch Parliament on 13-11-1998, TK, 1998-1999, 21501-18, no. 89. p. 3.

narrow margin by which the French ratified the Maastricht Treaty and its initial rejection by the Danes made Europe's government leaders realise that they had a crisis of confidence on their hands. They therefore decided to bring the EU closer to the people by demonstrating that it made a contribution to the security and welfare of its citizens. The efforts that went into rallying support for the EU united the Commission, the European Parliament and most of the Member States.

As the social democrats came to power in a growing number of Member States in the nineties, it became increasingly important for them to legitimise their support for creating a Monetary Union and the convergence efforts that that required. They had to demonstrate that Europe was "more than a market and a currency", that it in fact had a genuine social dimension. That involved taking a collective approach to unemployment and making the EMU Treaty more balanced.

The social democratic government of newcomer Sweden was under particular pressure to demonstrate that accession to the EU would not mean the end of the Swedish model. That explains why Swedish politicians and public servants took a leading role in creating the employment chapter.

The reason of legitimacy is not one that suits either the IG or the NF explanation of constitutional choices. That is because both explanations view integration primarily as the Member States' instrument for achieving certain domestic aims. Moravscik's IG emphasises the advantages that certain interest groups within the Member States gain through closer integration. NF views integration as a means by which the Member States compensate their loss of national policy instruments in field A, caused by integration in field B. As we explained above, we do not believe that Monetary Union caused any such functional spill-over to the employment policy. We would rather use the term "political spill-over".<sup>16</sup> The decision to create a Monetary Union and the convergence efforts required to do so led to resistance in the Member States because it was feared that higher unemployment levels would ensue. To win over their opponents, the governments had to make clear that the Member States, acting within the framework of the EU, continued to be concerned about employment issues.

According to Van Kersbergen (2000), people's loyalty to Europe is contingent on the ability of policy-makers to perform well in the domestic economic and social arena. Voters are less interested in the long-term benefits of monetary integration: more than anything else,

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<sup>16</sup> See Youngs, 1999. We will return to this question in the following section.

they want to know what impact Monetary Union and the road leading up to it will have for issues that affect them personally, such as job security, income and social security. It was particularly important for the social democrats to let their electorates know that the agreements made on Monetary Union would not lessen their commitment to employment targets. This went much further than a narrowly defined self-interest on the part of the Member States; it involved much broader interests, and included the more ideological issue of the future identity of Europe.

It would be a mistake to add political spill-over to the repertoire of neo-functionalist spill-overs (see Jensen, 2000). Political spill-over is in part the result of what is considered a given in NF: the support and commitment of the people for European integration<sup>17</sup>.

### **5. Is the creation of the employment policy a “deviant case”?**

The final question that we wish to explore is whether or not the inclusion of the employment policy can be described as a *deviant case* when contrasted with the two dominant explanations for constitutional choices. According to Youngs (1999:311ff), political spill-over from Monetary Union to the employment policy can be explained primarily by the way in which the decision to create a Monetary Union was taken in Maastricht. The government leaders took far-reaching decisions in Maastricht, even though a vast segment of the electorate was poorly informed about these decisions or prepared for them.<sup>18</sup> To this we can add that the sharp rise in unemployment immediately after the Maastricht Treaty was signed made it particularly necessary for social democratic governments to legitimise their support for Monetary Union and the convergence efforts it required. They had to make it clear to their electorate that the EU was not only concerned with price stability and budgetary discipline, but also with employment. EMU was, after all, a social democratic project. In that sense, the inclusion of the employment chapter may be regarded as a “correction” to Maastricht and hence as a “deviant case”<sup>19</sup>. The influence of the Commission and the European Parliament on the IGC agenda can also be attributed to the uniquely broad-based reflection group set up to

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<sup>17</sup> See Rosamond 2000:56.

<sup>18</sup> See also: Dyson and Featherstone 1999:791-801.

<sup>19</sup> The Belgian prime minister Jean-Luc Dehaene had this to say on the subject in 1996: “The Maastricht Treaty is in many respects an incomplete work. It has established a strong monetary union, but is much less clear on the economic dimension of the Union and altogether silent on employment policy. This is a weakness that must be remedied” (quoted in Van Riel and Metten 2000:125).

prepare the IGC. The preparatory committee included MEPs for the first time ever because of the need to enhance support for the IGC.

We believe that there is more going on here. As indicated in the introduction, the emergence of the employment chapter set an example for other areas of social policy. The Lisbon European Council (March 2000) decided to adopt a common strategy for modernising social systems and tackling social exclusion. The Nice European Council (December 2000) went further, setting up an agenda for social policy. At the Stockholm Summit (March 2001), the European Council decided on joint preparations for the ageing of the population, including the adjustment of social security systems and pensions. In each of these cases, the pattern has been the same: the social democratic presidency, acting with the Commission, takes the initiative, with the European Parliament's support; the European Council adopts a resolution and instructs the Council and the Commission to work up the details of common policy orientations according to the open method of co-ordination, following the procedure laid down for the employment chapter. This involves using the techniques of benchmarking in order to make policy trends transparent and suitable for comparison, and peer pressure to publicly penalise poor forms of policy and encourage good ones.

Here too, it would appear that political spill-over is involved, rather than functional spill-over from Monetary Union. It is unclear why Monetary Union would force the Member States to reach agreements about European social policy. There is no question of social policy instruments being lost. According to the Belgian minister for Social Affairs and Pensions, Frank Vandenbroucke, by agreeing on European social policy, the Member States are indicating that they wish to combat the social dumping feared by so many<sup>20</sup>. Of course, that does not mean that social dumping actually occurs, or will occur, in Monetary Union, or that politicians do not have other means to remove the fear of social dumping<sup>21</sup>. Once again, we believe that the aims set for European social policy in this field have been prompted mainly by a need to enhance the support and legitimacy of the EU's policy, by indicating to voters that the EU is concerned about issues that matter to its citizens, such as work and income security. In that sense, the employment policy was certainly not a deviant case but set an example for later developments.

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<sup>20</sup> Vandenbroucke 2001:777.

<sup>21</sup> See Van Riel 2001 for a critique of the theory that EMU will lead to social dumping.

The strategy of increasing support for Europe by means of open co-ordination in social policy raises two questions which are not easily answered at the present time:<sup>22</sup>

- First, does this strategy work? Are the common objectives and the open co-ordination method effective and do they convince the people of the importance of Europe?
- Secondly, are such agreements required to drum up support for the EU? After all, it is by no means certain that people are actually afraid of social dumping or unemployment in Monetary Union. To what extent will the long-term advantages of a single currency produce their “own” support for Monetary Union?

Finally, we would point out that the preparations for the next IGC, which will commence in 2004, will probably be made by another broad-based preparatory committee. This too seems to indicate that the emergence of the employment policy was perhaps not unique and that it is important to consider political spill-overs and advocacy coalitions when attempting to explain new constitutional choices.

## 6. Conclusion

This article has discussed the history and emergence of the EU’s employment policy. We concluded that the fairly unexpected inclusion of the employment chapter, whose antecedents go back to 1993, in the Amsterdam Treaty was an important constitutional choice. We also demonstrated that the procedures for creating the employment policy set an example in various respects for a number of new European social policy initiatives.

We questioned the extent to which this decision fit in with two prevailing explanations for constitutional developments in Europe. We looked at both the intergovernmental and the neo-functional explanations, and found both too flimsy. Neither the Member States nor the Commission appear to have played a dominant role in the development of the European employment policy. Rather, an advocacy coalition emerged, consisting of the social democratic presidencies of some Member States, the Commission and the European Parliament. It also became clear that the employment policy cannot be regarded as an instrument wielded by the Member States to achieve certain domestic targets or to serve specific domestic interests. On the contrary, the European employment policy was derived from the need to legitimise European integration. The division of labour which has emerged –

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<sup>22</sup> Van der Meer (2000) has a number of comments about the extent to which Member States’ policy plans can be compared. In the Netherlands, the European employment policy is officially evaluated by the Foundation for Economic Research (*Stichting voor Economisch Onderzoek*) in collaboration with the Amsterdam Institute for Labour Studies (*Amsterdams Instituut voor Arbeidsstudies*) at the University of Amsterdam.

whereby the Commission prepares policy and the Member States adopt and implement the policy resolutions – cannot therefore be explained as an outcome of the Member States’ own domestic political preferences, as assumed in the intergovernmental explanation, but is also the result of the Commission’s active role in this area. We therefore refer in this regard to “political spill-over”. However, this explanation does not fit in with the repertoire of neo-functionalism, because in the latter, legitimacy is assumed and does not, as here, have to be achieved.

We then discussed to what extent the European employment policy can be regarded as a one-off attempt to correct for the legitimacy deficit of Maastricht and, as such, as a “deviant case” in theoretical terms. We deem this to be unlikely and believe that we are witnessing a firmly rooted development here. The European employment policy cannot be excised from the text of the Treaty easily, and as long as there is enough political support it will be followed up in other social fields. This is particularly the case now that Europe is undergoing a more “profound” level of integration through the introduction of the single currency and public support is no longer a given. Now that such “permissive consensus” has come to an end, people will want to see policy dealing with issues that concern them most and affect them most directly: security, welfare and employment. It is no coincidence that new social policy initiatives are being introduced in these areas. That does, however, give rise to two questions, which we are unable to answer at present: are these initiatives effective and are they necessary?

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Summary.

This article deals with the emergence of the European employment policy. Less than six years after the Treaty of Maastricht was signed (December 1991)- opening Europe's way to monetary union - an employment chapter was added to the Treaty (June 1997). Viewed from the conclusions of Maastricht this was quite surprising. On the basis of detailed empirical sources we consider this development as a main 'constitutional' choice in the EU. Such choices are normally either explained within a Neo-Functionalist framework or a Intergovernmental framework for European integration. We argue, however, that neither framework is appropriate for understanding the emergence of the employment chapter. We finally consider whether the 'advocacy coalition' in favour of the European social policy concerns a 'deviant case' or reflects a new phase in the European integration process.