"Asymmetries of policy learning?
The European Employment Strategy and its role in labour market policy reform in Germany and the UK"¹

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Introduction
The European Employment Strategy (EES) was installed in 1997 as a new governance method in the field of labour market policy in the EU allowing the EU institutions to play a certain part in the EU multi-level governance system through defining legally non-binding guidelines and issuing Member State specific recommendations as well as joint employment reports. When at the 2000 Lisbon council the so-called Open Method of Co-ordination (OMC) was launched as general heading for governance mechanisms based on soft law, benchmarking, best practice exchange and EU-organised monitoring, the EES was regarded as part of the OMC employed in labour market policies. The EES is conceptualised by the EU as well as in the academic literature as a method potentially leading to policy learning³ in and among Member States and, due to this policy learning, to a convergence of policy concepts and policy outcomes (European Council 1997; European Council 2000).

Regarding policy concepts, the EES promotes a supply side-oriented "third way" labour market policy approach, focussing on enhancing employability and adaptability of the workforce while at the same time supporting "social partnership" and a balance of flexibility and security.

The interesting question to be asked in this context is whether a convergence of labour market policy concepts throughout Europe is brought about by Member States moving towards a balanced third way model of the EES – should that be the case every Member State would have

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³ The concept of policy learning attempts to specify policy change. The reference to "learning" aims at indicating that policy change is due to a shift of policy actors' cognitive and normative understandings of societal and political problems as well as their solutions. In the OMC-literature the concept of policy learning features highly as it is assumed that benchmarking and best practice exchange can trigger policy learning in and among Member States (cf. Jacobsson 2002; Trubek/Mosher 2003; Zeitlin 2003).
to integrate or adapt those aspects of its labour market policies not currently in line with the EES-model - or rather, whether asymmetric policy learning is taking place. An asymmetry of policy learning would mean that some aspects of the EES are more easily adopted at Member State level than others and that, due to this, at best a convergence to an imbalanced labour market model could occur.

This question will be discussed in the presentation through examining the role of the EES in labour market policy reforms in Germany and the UK. It is hypothesised that, although the EES plays, at best, a catalysing role in the development of domestic labour market policies, the EES has an asymmetric influence on Germany and the UK in the sense that it seems to be easier to strengthen welfare-to-work approaches in Germany than it is to convince the UK to develop a more co-ordinated approach regarding training and social partnership. This paper argues that the reason for this asymmetric policy learning and convergence should not only be seen in the different "fit" of Member States with the EES agenda, but more importantly, in the construction of the EES itself and its subordination under provisions of "negative integration" and the Growth and Stability Pact.

**Policy learning and convergence**

The examination of the EES's role for labour market policy development throughout EU Member States can take place in two steps. Firstly, one can ask whether "policy learning" is brought about by the EES and how this connection between policy learning or policy change and the EES can be researched. Secondly, if policy learning takes place, one has to compare the developments of all Member States because policy learning alone does not mean that convergence of policy concepts and outcomes results from this policy learning. If convergence of policy concepts appears to take place, it is important to analyse the character of the concept, which becomes dominant through this convergence. These three points need short methodological and conceptional consideration to become clearer.

*Policy learning and researching "influence"*. Research on policy learning in the context of the EES is more or less explicitly connected to the question how "effective" the EES is and whether the EES influences policy development in Member States. Since the EES guidelines and recommendations are not legally binding (i.e. they are not required to be implemented as

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4 The concept of policy learning attempts to specify policy change. The reference to "learning" aims at indicating that policy change is due to a shift of policy actors' cognitive and normative understandings of societal and political problems as well as their solutions. In the OMC-literature the concept of policy learning features highly as it is assumed that benchmarking and best practice exchange can trigger cross-national policy learning (cf. Jacobsson 2002; Trubek/Mosher 2003; Zeitlin 2003). As regards the OMC, the concept of policy learning has, however, been reviewed more critically by some commentators, e.g. by C. Offe who expressed concern that "unlearning" might take place due to the OMC, instead (Offe 2003: 463).
are EU regulations and directives) and since there is no guarantee that policy change will take place as a result of political benchmarking, there are some methodological difficulties to examine the effects of the EES and whether policy learning takes place or not. Policy change at Member State level always takes place due to a mix of different factors and can be oriented with internal (domestic) and external (international binding and non-binding rules) reasons. The question is, which factors drive policy change and which ones only play a catalysing role. Concerning the EES, it is methodologically difficult to answer this question because one cannot separate these sources of influence and measure their single impact quantitatively. What can be observed is, whether domestic policy actors refer to the EES in the course of policy making at Member State level. However, references to the EES are still no proof that the EES played an important role for policy development. There are four possible relationships between references to the EES and the influence of the EES on policy making: 1. the EES has been influential and references are made in the policy process; 2. the EES was influential, but no references appear in domestic policy debates; 3. the EES has not been influential and no references appear in the policy process; 4. the EES had not been influential but policy actors nevertheless refer to the EES to back up their position in domestic debates. Taking this into account, it becomes clear that we can only examine whether and how the EES is used domestically and in which direction policy change is taking place. But we must be careful to regard the EES as a driver of these developments; it is more useful to take into consideration a broader framework of how European integration is constructed and which political and economic conditions are important for these developments.

Convergence. Convergence can take place in respect to different dimensions: Discourses and policy concepts; policy instruments and institutions; policy outcomes (e.g. performance of the labour market, social and economic situation). If discourses and policy concepts are converging, it is possible but not necessary that policy instruments and/or institutions are also converging. If policy outcomes are converging this might but need not necessarily be due to a previous convergence of discourses or policy instruments. In other words, convergence can take place in one dimension while no convergence or even divergence takes place in another dimension. In this paper the focus lays with the convergence of policy concepts, not with instruments/institutions and outcomes. This means, that if the talk is of "convergence" to a certain policy model, this does not mean that the development of concrete policies is also converging, but rather that policy instruments might not be converging or even diverging and that, therefore, convergence and divergence could possibly take place simultaneously with regards to different dimensions.
Third Way labour market policy. If one is interested in the question of whether convergence of labour market policy concepts will take place in the context of the EES, and of which character this convergence and the related policy learning are, one has to know which labour market policy model is promoted by the EES. The labour market policy model of the EES and the employment chapter of the Amsterdam Treaty have been interpreted in the literature as a third way model: "A study of the Employment Title reveals that, both in language and form, the new provisions are in line with what I have sought to describe as 'Third Way' thinking" (Kenner 1999: 48). "True to the Third Way approach the Employment Title is about reconciling themes. High levels of employment and social protection are linked with competitiveness. Security and flexibility are mutually compatible. It was with these goals in mind that the 'Luxembourg process' was launched" (Kenner 1999: 51; cf. also Visser 2000: 450; Wincott 2003, Hemerijck 2002).

The "Third Way" became prominent in social democratic thinking during the 1990s. Although different third way models can be identified (Merkel 2000; Grundwertekommision 1999), the main and common ideas of the third way can be summarised as follows. The "Third Way" aims at reconciling and balancing positions which were seen as trade-off before: state and market, left and right, equality and freedom, rights and responsibilities, social security and flexibility, and so forth. The core of the "Third Way" is a redefinition of the relationship between state, market and the individual/the society. The state is no longer seen as either the negatively defined agency setting the conditions for the functioning of markets (liberalism) nor as an agent actively intervening into economy and society ("old" social democracy) but as actor who supports and betters the functioning of the market through activating "the society". The conflict between capital and labour is regarded as belonging to the past. The state now takes over the role of a mediator between both sides, who, as well as other civil society actors now play an active and responsible role for a prospering society and economy. Also the role of the individual is newly defined: it is not only entitled to claim rights, but also has to take over responsibilities against society (cf. Brütt 2001; Giddens 1999, Merkel 2000; Schröder/Blair 1999; Grundwertekommission 1999). The EES is very much constructed around this way of thinking, however, whether the EES as it is constructed at EU level can claim to bring the sides of the third way equation really into balance (see below) must be discussed.
Scenarios for policy development throughout the EU

In order to assess policy development in the context of the EES throughout the EU, it is necessary to take into consideration the dimensions that were mentioned in the first section: does policy learning take place in Member States, does this lead to a convergence of policy concepts and if so, to which kind of policy model does convergence take place. These developments depend on factors at Member State level as well as at EU level: at Member State level it is important which labour market policy concepts, instruments and institutions already exist, how the political system is structured, which power relations therefore exist between relevant labour market policy actors, how economy and labour market are currently performing. At EU level it is important how the EES is conceptualised, both regarding its instruments and regarding its content. Furthermore, how the EES is embedded in other provisions of EU integration is important: the legal provisions for the establishment of the single market (abolishment of market constraining regulations, competition law) and the context of monetary union with the Growth and Stability Pact (GSP), as well as the rules for economic policy co-ordination. Labour market policy development throughout the EU has, therefore, to be imagined as interplay between the EU and Member State level. From a bird's eye view it is clear that the EES will mean something different in different Member States, because they already differ regarding the dimensions mentioned above (concepts, institutions, actors, labour market situation). In the academic literature dealing with the potential influence of the EES for policy development at Member State level, it has already been considered that existing welfare regimes may be affected differently by the EES or the OMC as a whole. One of the earliest considerations on this question has been elaborated by Porte and Pochet (e.g.: 2002: 55-59). Here, the authors took into account several policy areas covered by the OMC (employment, social inclusion, pensions) and built the hypothesis that welfare regimes will be affected to different degrees by different of these OMCs. Regarding the EES, the continental and Mediterranean regimes were expected to be affected strongly, while the Anglo-Saxon regime was expected to be affected marginally and the Scandinavian regime not being affected at all (Porte/Pochet 2002: 56). In this paper, I want to extend the analysis by integrating an examination of the EES' character itself. By integrating this level, one is better able to analyse possible outcomes of the EES, in my view, because the potential effects of the EES have to be conceptualised as inter-

More specifically: according to Porte/Pochet the continental welfare regimes were expected to be strongly affected by the EES, "notably affected" by the pension OMC, and marginally affected by the social inclusion OMC; the liberal welfare regime was expected to be strongly affected by the social inclusion OMC and only marginally by the EES and the pensions OMC, the Scandinavian regime only marginally by the social inclusion and the pensions OMC and even not at all affected by the EES; while the Mediterranean regime was expected to be strongly affected by the EES and the pensions OMC and notably affected by the social inclusion OMC (Porte/Pochet 2002: 56).
play between the construction of the EES at EU level and the domestic usage of the EES in policy processes.

Possible outcomes of the EES regarding policy learning and convergence can be assessed against an ideal type model. If the EES objectives and guidelines embodied a balanced third way labour market policy model it could be imagined as functioning the following way: In processes of mutual peer review, benchmarking, monitoring and evaluation, deficiencies of each Member States' labour market policies as measured against the EES are identified. Council recommendations and peer review processes make these deficiencies explicit and Member State governments are expected to take these aspects into consideration in labour market policy planning. Although, naturally, some Member States' labour market policies will already be more similar to the EES model from the beginning on, it is assumed that all are required to learn and that no model is yet perfect from an EES viewpoint. If EES processes work the way described, a convergence towards a balanced third way labour market model is assumed to be brought about in the end. This convergence is expected to take place on a general, conceptual level, not at the level of concrete instruments, as Member States still have the responsibility to find the most appropriate ways how to set these concepts into practice.

In the following, I will present a set of questions to be answered in an analysis of the development of Member States' labour market policies which aim at finding out whether the proposed ideal model is likely to occur through EES processes. (1) Firstly, one has to find out whether the EES is used by domestic policy actors in order to back up arguments for policy change or to criticise other policy actor's proposals for policy change. If this does not happen, it is still open whether convergence of policy concepts, divergence or neither of this is happening. In this case, it is only clear that the EES is not regarded as a useful instrument by policy actors to back up their positions in the policy making process (scenario A). If references to the EES appear in domestic policy processes, it can be assumed that the EES plays at least a catalysing role for policy development. By "catalysing role" it is meant that the EES plays a role in the policy process because policy discourses are affected by the EES and, therefore, so are political discussions, potentially. (2) If the EES appears in domestic policy discourses, one can ask, whether the EES can be regarded as third way labour market model and whether the different aspects comprised by the EES all have the same chance to be taken up at Member State level. If the EES can be seen as third way model, it is still possible that some aspects of the EES instead have a symbolic function and play a less important role for labour market policy development at Member State level. If the latter is the case, policy learning connected to the EES at the Member State level would have to be called "asymmetric policy learning".
EES policy learning would be asymmetric in the sense that either the EES agenda itself is shaped in an asymmetric way with some policy concepts having more influence on the EES agenda than others (e.g. through different influence of Member States or other political actors on the EES agenda) and also the future development of the EES being restricted, not open. Or the EES agenda, which is presented as a balanced third way model, turns out to be of an asymmetric relevance in practice: the ideal model of EES policy learning in which every Member State strengthens these aspects of labour market policy which are not yet in line with the EES domestically cannot be realised because only some of the aspects of the EES are of practical relevance domestically. If an "asymmetric convergence" according to these relevant aspects of the EES takes place, it is yet plausible that this only comprises policy concepts and that concrete policy instruments do not converge (scenario B). (3) If, however, the EES is conceptualised as a balanced third way model and if all of these aspects have the same chance to be of practical relevance for domestic labour market policy development, the next question is, whether the EES is used as such a strong instrument for policy development that domestic policies are systematically checked against the EES. In this case, domestic policy concepts would then be aligned to the EES in all Member States. In every Member State different aspects of the EES would be relevant because in no Member State are policies already in accordance with the EES, but the EES would strengthen those aspects not yet in line in each Member State. If this happens, one could speak of "symmetric policy learning" because the EES would bring about policy learning in each Member State and convergence would take place throughout the whole EU towards a "balanced third way" model (scenario C). Even if the EES is conceptualised as a third way model and if all of its aspects have the same chance to be of relevance for domestic policy learning, policy learning at Member State level need not take place in such a systematic way that policies are checked against the EES. Whether this is done or not depends on various domestic factors such as the incentive structure given by pre-existing concepts and institutions, power constellations between policy actors, current political problems. Policy learning is not systematic but contingent; policy development throughout the EU may not end in convergence or even in divergence of policy concepts (scenario D).
Graph: Scenarios of policy learning and convergence

(1) Is the EES used by domestic policy actors?

- yes
  - (2) Does the EES embody a balanced Third Way model? Do all aspects of the EES have the same chance to be adopted at Member State level?
    - yes
      - (3) Are domestic labour market policies systematically brought in line with the EES?
        - yes
          - (D) symmetric policy learning, convergence to a balanced third way model
        - no
          - (C) non-systematic policy learning, no convergence or divergence
    - no
      - (A) EES is not actively used for policy learning; convergence, divergence or neither of these

- no
  - (B) asymmetric learning convergence towards an imbalanced labour market policy model
Two levels of examination

a) The EES as third way model?

The EES is corresponding to third way labour market policy models since it focuses on supply-side measures (being one credential of the third way model, cf. Schröder/Blair 1999) aiming at tackling mismatch problems at the labour market through making (potential) employees more employable and adaptable to changing labour market structures, encouraging entrepreneurship and making labour markets more flexible6 instead of supporting Keynesian demand side measures with a more important role of the state for demand-increasing investment and employment creation. Furthermore it seeks to balance several aspects, for instance competitiveness and flexibility on the one hand with high levels of employment and social security on the other (cf. Kenner 1999: 51). "Social partners" have been ascribed a particular role in the EES framework as they should take over responsibilities to implement the EES and as they are to be integrated in EES procedures as a horizontal objective of the EES. It has, however, to be examined in greater detail, whether the EES embodies a balanced third way model or not. In my view, one can argue that the EES provisions at EU level already rather emphasise the side of the market than the state, responsibility than rights, flexibility than security. The main aim of the EES is to increase labour supply and achieving full employment regardless of the labour market situation. When unemployment is high, however, there is a great danger that the jobs provided are of low quality and that undue pressure to take up jobs can be exerted on (potential) jobseekers. Though the "quality of jobs" is integrated in the EES framework as horizontal objective, one can argue that this aspect features quite weakly since the quality aspect is directly connected with productivity. This means that quality of jobs is only considered important from the perspective of increasing productivity and competitiveness and not conceptualised as a right of employees (cf. Council 2003). Only one guideline of the EES addresses the role of employers to create jobs (GL 2 "job creation and entrepreneurship") while most of the other guidelines address measures to render employees more "employable" and "adaptable" to the labour market. Considerations on the relationship between flexibility and security are formulated in a very general way and it is not made explicit that mostly the side of security of employees working under increasingly flexible circumstances is in disadvantage and is the side which has to be further developed. At the same time it is emphasised that "overly restrictive elements in employment legislation" have to be reformed (GL 3) and that social security systems have to be reviewed against the demand to make work pay (GL

This corresponds to the first three pillars of the EES which have been formulated at the Luxembourg Council (but meanwhile having been replaced by the ten commandments of the EES in 2003), the fourth pillar aimed at gender equality as a matter of policy mainstreaming.
Thus, more weight seems to have been put on the side of flexibility rather than on security. In this sense, it can be argued that already the construction of the EES at EU level embodies a rather imbalanced third way model.

Taking this assessment into account, it could still be argued that this does not already prescribe the outcomes of the benchmarking processes connected to the EES. This is because the objectives, guidelines and recommendations of the EES are formulated quite broadly and it is left to the interpretation of Member States' labour market policy actors how these guidelines, etc. are interpreted and which aspects of the EES are emphasised in domestic policy making processes.

On the other hand, it has to be acknowledged that the EES provisions are not legally binding and that the EES is embedded in a binding economic and monetary union agenda. From a legal viewpoint, there is still no balance between "negative" and "positive" integration (cf. e.g. Scharpf 2002; Joerges/Rödl 2004). The context of "negative integration" in the EU means that there are binding rules providing the creation and completion of the single market. Furthermore, monetary union restricts Member States' capacities in the field of social and labour market policy as it defines limits of inflation and public deficits and, therefore, restricts decisions on the scope of state expenditure. The EES has been identified as taking a lower position in a hierarchy of several EU strategies: The Growth and Stability Pact takes the top position and is expected to exert strongest influence on Member States' policies, secondly the rules and processes of economic co-ordination follow (cf. Porte/Pochet 2002: 51). After the EES has been streamlined with economic co-ordination it is still not clear whether the EES is still subordinated in relevance to economic policy co-ordination or if it is now of equal relevance. These processes are followed by other OMC procedures which deal with less concrete guidelines, weaker co-ordination and benchmarking processes. These OMC processes themselves have, however, been integrated under the roof of competitiveness through the Lisbon agenda in 2000, since at the Lisbon Council the aim to "become the most competitive and dynamic knowledge economy in the world" (European Council 2000: para 37) was installed.

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7 The relationship between flexibility and security is addressed in GL 3 "Address change and promote adaptability and mobility in the labour market": "Member States will facilitate the adaptability of workers and firms to change, taking account of the need for both flexibility and security (...) Member States will review and, where appropriate, reform overly restrictive elements in employment legislation that affect labour market dynamics and the employment of those groups facing difficult access to the labour market (...) and undertake other appropriate measures to promote diversity of contractual working arrangements, including arrangements on working time, favouring career progression, a better balance between work and private life and between flexibility and security". GL 8 "Make work pay through incentive to enhance work attractiveness": "Whilst preserving an adequate level of social protection, Member States will in particular review replacement rates and benefit duration; ensure effective benefit management (...); consider the provision of in-work benefits (...) (cf. Council 2003).
All this considered, it can be argued that the EES is unlikely to bring about a convergence towards a balanced third way labour market model because a) the EES provisions at EU level do not equal an ideal third way labour market policy model but put more weight on the side of the market, flexibility, the responsibility of the individual, and so forth and because b) the EES is framed by a competitiveness agenda, the provisions of "negative integration" and the binding rules of the GSP, which set certain restrictions or incentives to emphasise one side of the third way model.

b) Policy learning at Member State level: Germany and the UK
As already pointed out above, methodological problems exist in researching the influence of the EES on Member States' policies. Therefore, it is recommended to lower expectations and to focus on the question whether and how the EES is used by domestic policy actors in the course of policy making. While references to the EES are no proof that the EES has played an important role for policy development (and vice versa: no references are no proof that the EES has not been influential), it can be assumed that the EES played a catalysing role in policy development if important labour market policy actors are aware of EES concepts and actively refer to them to back up their arguments. Such a usage makes a difference in policy discourses and is, therefore, relevant for our analysis by whom and how the EES is used. A comparison of how the EES is used in domestic policy making may contribute to clarify the question which type of policy learning and convergence is likely to be supported through EES processes. In the following I will provide some results of research in Germany and the United Kingdom by addressing

- which positions domestic policy actors are formulating regarding the EES. The formulation of positions is a first indicator that policy actors are aware of the EES and find it important for whatever reason to make their position public. Furthermore, the analysis of position shows, how the content of the EES is interpreted by policy actors;
- whether the EES plays a role in discussions of the wider public (e.g. parliament and media)\(^8\); The appearance of the EES in the wider public is a precondition for the functioning of shaming mechanisms. If the wider public is not aware of the EES, there are hardly incentives for policy actors to bring domestic policies in line with the EES objectives or best practices of other Member States;

\(^8\) This does not mean that I define the public as "parliament and media" but that the latter ones are the arenas which are relevant for reaching the wider public.
- whether policy actors refer to the EES in the course of policy making – through this analysis it can be shown in more detail how the EES is strategically used by policy actors in the course of the policy making process;
- and how EES concepts are integrated in domestic policy discourses. Here, one has to analyse whether EES terms are interpreted and used equally or differently in different Member States.

Taking this together, one can compare in which labour market policy fields the EES plays a role in different Member States and whether labour market policy fields are symmetrically brought in line with the EES in these Member States or not. In this paper this comparison only comprises Germany and the UK and has, in this sense, to remain preliminary.

**Positions.** On a very general level, reactions towards the EES have been positive in Germany and the UK in the sense that no policy actor refused or opposed the EES in total. At the same time, positions were not clearly either positive or negative but mostly (if positions were clearly formulated at all) a mixture of positive and negative statements. In this sense, the EES appears to be an ambivalent instrument for the policy actors concerned. Both governments expressed general support for the EES, not only in the NAPs (where one should expect such voices) but also in domestic policy documents such as in the coalition treaty 1998 in Germany or – however a bit more indirectly and emphasising the influential position of the UK – in several UK budget reports. The newly elected social democratic/green government in Germany was actively supporting the setting up of the employment pact in 1999, something which was seen more critical in the UK because of the fear that employment policy coordination may become too restrictive. The UK government was also more critical against the 2003 package of employment guidelines which contained more quantitative indicators. This was regarded as too inflexible and prescriptive (House of Commons 2003).

Regarding the potential influence of the EES on LMP development I learned from interviews that actors familiar with the labour market policy process in both countries were denying any significant influence from the EES on policy development. However, this denial was stronger in the UK than in Germany. The UK government officially takes the position that it is the UK government that influences the EES agenda rather than being influenced by the EU, the EES is regarded as mechanism to be used to transport UK concepts to the EU agenda and through that to diffuse them among the EU: "We will stand up for Britain's interests in Europe after the shambles of the last six years, but, more than that, we will lead a campaign for reform in Europe" (Labour Party 1997: 4). "We support too the Social Chapter of the EU, but will deploy our influence in Europe to ensure that it develops so as to promote employability and
competitiveness, not inflexibility" (ibid: 15). Analysing the reactions of both governments to the Council recommendations of the EES a significant difference is observable: while in Germany no recommendation is refused by the government and several recommendations (as well as the EES guidelines) are used several times in draft laws (cf. section on references) to back the proposed policy reforms, the UK government openly refused to change its current approach or to align UK policies with the EU proposals. The UK got EES council recommendations demanding to build a stronger social partnership at domestic level and to introduce earlier access to active measures according to the first/second GL of the EES\(^9\) but the UK government responded by saying that the existing social partnership approach is corresponding to UK traditions and that it makes no sense in the UK context to change this approach and that also regarding the point of access to active measures the provisions of the JSA with access to job search assistance is regarded sufficient (cf. House of Commons 2001 para 15.11; UK NAP 2001: 8f., 25; UK NAP 2002: 6, 11f.).

The employer organisations in the UK and in Germany are in general rather sceptical respecting a co-ordination of employment policies at the European level as they fear that this co-ordination may become too binding, inflexible and prescriptive. On the other hand, employer organisations seem to support processes of international benchmarking as they acknowledge that benchmarking is not binding and a potential means of diffusing policy concepts in line with the interests of employer organisations:

"There is, however, a critical role for the Commission to play in fostering the open co-ordination process of the Employment Guidelines. By facilitating the structured exchange of good practice between member state governments, the Commission can ensure that real steps towards greater labour market flexibility are taken at national level" (CBI 2000a: 2). "Indeed, at the European level much more is likely to be achieved through the structured exchange of good practice, as with the Employment Guidelines, than through legislation (CBI 2000b: 3).

Also positive of the EES the DIHK: "Die Europäische Beschäftigungsstrategie kann durch ein Benchmarking eine heilsame Wirkung auf die Effizienzsteigerung ausüben. Die aktive Arbeitsmarktpolitik muss gerade in Deutschland viel stärker als bisher den Nachweis erbringen, dass die Maßnahmen auch weiterhelfen" (DIHK 2002: 5).

One general difference between the UK and Germany regarding the formulation of positions to the EES by social partners is that the Confederation of British Industry (CBI) and Trades Union Congress (TUC) in the UK have not published extra statements to the EES while in

\(^9\) demanding that measures of active labour market policy should be accessible for young persons (15-24) before the point of reaching 6 months of unemployment and for adults (25-64) before reaching 12 months of unemployment. This is GL 1 in the current set of EES guidelines which are to be hold stable until 2005.
Germany the *Bundesvereinigung Deutscher Arbeitgeberverbände* (BDA)\textsuperscript{10} and the *Bundesverband der Deutschen Industrie* (BDI)\textsuperscript{11} and the *Deutsche(r) Gewerkschaftsbund* (DGB)\textsuperscript{12} regularly issue statements on the EES guidelines or on the NAPs. The CBI only mentions in some of its press releases or policy briefs some of the EES issues (with or without explicitly mentioning the EES) and supports aspects such as labour market flexibility, promotion of employability, and life long learning. The CBI rejects a more co-ordinated social partnership approach as well as the social dialogue at EU level (CBI 2000a: 1) and it also emphasises that the training sector has to remain employer-led and refuses broader government intervention (CBI 2000c). In its annual statements on the EES guidelines, the German BDA expressed general support for the EES guidelines but emphasised that the autonomy of social partners must not be affected by this co-ordination process and that the government should fulfil its responsibilities instead of shifting it to the social partners, e.g. in the field of childcare (cf. Richardt 2004). Also the *Deutsche(r) Industrie- und Handelskammertag* (DIHK)\textsuperscript{13} published a detailed assessment of the Lisbon process and expressed strong support for the Lisbon goals, especially in the area of extending the low wage sector and increasing flexibility of the labour market. At the same time, it voiced concern that the EES guidelines are already too binding and that an interference with social partner autonomy might accompany the EES.

The trade unions in both countries are supporting a Europeanization\textsuperscript{14} of employment policies as this is regarded as a means of strengthening the social dimension of the EU. However, in the meanwhile it seems having become more difficult or unattractive for trade unions to back up their position through the EES. From the TUC no particular statements to the EES are issued, but it can be concluded from interviews that the TUC supports the EES in general and that it hopes the EES could help to strengthen the role of trade unions in the policy making process in the UK. In contrast, the DGB issued statements to the EES from its launch on. In the beginning, i.e. in 1997/8 the DGB expressed strong support for the EES, particularly regarding its emphasis on active labour market policies and gender equality but became more critical during time. In 1999 the guideline on active ageing was criticised by the DGB (1999), and in 2003 discontent with the supply-side orientation of the EES, with the demand to deregulate the social security system and with the role of the social partners ascribed by the EES was voiced:

\textsuperscript{10} Confederation of Germany Employers' Associations.
\textsuperscript{11} Confederation of Germany Industries.
\textsuperscript{12} German Federation of Trade Unions.
\textsuperscript{13} German Association of Chambers for Industry and Commerce.
\textsuperscript{14} Here, Europeanization means both: an upwards shift of competencies to the EU level and the influence of European binding and non-binding rules on domestic policy making.
"Die Beschäftigungsleitlinien sind allerdings vom Ansatz her begrenzt. Sie sind vorwiegend auf die Arbeitsmarktpolitik und angrenzende Bereiche wie die Steuer und Abgabenpolitik gerichtet. Der Abbau der Arbeitslosigkeit oder gar die Erreichung des Vollbeschäftigungsziels, wie auf dem Europäischen Rat von Barcelona bekräftigt, erfordern jedoch vor allem eine beschäftigungsorientierte Wirtschafts-, Finanz- und Geldpolitik, die zu mehr Wachstum führt" (...)

Ein weiterer Kritikpunkt des DGB betrifft die Überfrachtung der Leitlinien mit sozialpolitischen Zielen, wie die Reform der sozialen Sicherungssysteme und des Arbeitsrechts mit der Maßgabe, diese „beschäftigungsfreundlicher“ zu gestalten, bzw. „Beschäftigungshemmnisse“ auszuräumen. Dahinter steht die Auffassung, dass durch Einschnitte bei den Sozialleistungen und Deregulierung des Arbeitsrechts ein nennenswerter Beitrag zum Abbau der Arbeitslosigkeit geleistet werden könne. (...)

Ein weiterer Kritikpunkt des DGB bezieht sich auf die den Sozialparteien zugewiesene Rolle in den Beschäftigungsleitlinien. Hier geht es um die Handlungsfelder: Modernisierung der Arbeitsorganisation, neue Arbeitszeitmodelle, Verbesserung der Qualität der Arbeit und lebenslanges Lernen. Es ist unstrittig, dass die Sozialparteien in diesen Handlungsfeldern Aufgaben haben und wahrnehmen, die in begrenztem Umfang auch zur Verbesserung der Beschäftigungslage beitragen können. Für die Beschäftigungspolitik sind jedoch in erster Linie die Regierungen verantwortlich. Sie sind es, die durch eine beschäftigungsorientierte Wirtschafts- und Finanzpolitik und ergänzende Arbeitsmarktpolitik die Beschäftigungslage positiv beeinflussen können (DGB 2003a: 22f.)

Also the role of the regions in relation to the EES differs in Germany and the UK. Measured in terms of official statements, the EES seemed to be of less relevance to the UK regions than to the German Länder. This may, however, be mainly due to the different institutional background in both countries, which frames the incentive structures for taking positions publicly. The regions or devolved administrations in the UK rather welcome the EES (and, even more so the OMC inclusion) as the co-ordination procedures connected to these strategies mean a strengthening of regions' contacts and informational resources with the UK government but also with other policy actors. Since the devolved administrations do not have their own competencies in the field of employment policy, they do not regard the EES as possible restriction of their competencies. In Germany, the institutional background – the part to be played by the Länder in the policy making process through the second chamber – provides a more open incentive structure to use the EES for statements pro or contra the government's policy proposals (in more detail under "references"). At the same time, the German Länder have been more sceptical, at least in the beginning, regarding the EES procedures as they feared that their competencies would be reduced through the EES and the way of drafting the NAPs in which they felt having had too little influence⁴⁵.

Public (parliament). In both countries the EES does not feature highly in the general public, i.e. in parliamentary discussions as well as in media reports (Umbach 2003: 77ff.). The EES is only mentioned very occasionally in the parliament, the media almost only report about the

EES if there has been a special EU event like a European council or a Member State related EU presidency. Regarding the role in the parliament there are still differences between Germany and the UK which possibly also have to do with the different function of the parliament in both political systems. In the UK the government has a much stronger position against the parliament regarding the power to take on decisions, but the government is accountable to the parliament. Thus, the government has to report about everything it does – including activities at EU level. Therefore, the government (or its representatives) annually give quite detailed reports to the European Scrutiny Committee in the Commons about the employment guidelines, recommendations and joint employment reports and the position of the government regarding these. Even in the plenary the EES has been mentioned some times, e.g. when Blair or his then Minister Smith reported about the government's activities in relation to the Cardiff-Council or to answer questions of Members of Parliament on the status of the employment chapter. The NAPs are not discussed in the committees or the plenary since the government has made clear that the NAP is only a report of governmental activities and not a policy planning instrument so that the parliament only requires to take note of the NAP. In Germany, the EES is also mentioned quite seldomly in the plenary, and also mostly if there have been important EU events. The NAPs are also only given for information to the Bundestag but they are not discussed in plenary and transferred to the committees of the Bundestag to take note. In the beginning of the EES procedure, more intense discussions took place in the Bundesrat about the NAP since the Länder felt not having participated strongly enough in the setting up of the NAPs and the committees of the Bundesrat decide a statement on each NAP (mostly expressing criticism on governmental policies and on the EES in general.  

References. Generally it has to be recorded that neither in the UK nor in Germany references to the EES are used in a systematic way. That means that references to the EES appear to be made according to the concrete and specific matter under debate and the related current political situation (different interests and power-resources of policy actors, fit of domestic and EU approaches, etc.) and only if there is a certain incentive structure for policy actors to refer to the EES. What does not happen is that policy development is checked against the EES in a systematic way and accompanied with respective references to the EES. In the UK references to the EES are found more seldom than in Germany. The UK government mentioned the EES at least indirectly in most of its Budget Reports, and in three governmental publications, most

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16 Andrew Smith was Minister for Employment, Equal Opportunities and Welfare to Work at the Department for Education and Employment from May 1997-October 1999.

17 Cf. for instance the following documents of the Bundesrat: BR-Drucksache 369/1/98, 22.05.1998; BR-Plenarprotokoll 726, 29.05.1998; BR-Plenarprotokoll 727, 19.06.1998; BR-Drucksache 258/1/99, 11.05.1999; BR-Plenarprotokoll 738, 21.05.1999.
prominently in the newest White Paper on the Skills Strategy. What can be found sometimes are comparisons between EU Member States of OECD Members and the UK regarding performances in productivity or skills. If references to the EES are made these do function to report on the EES or to explain the UK government’s position towards the EES. The Skills White paper is an exemption since proposed measures are presented as implementation of the EU agenda (DfES 2003: 113). In Germany the situation is different: although also in Germany the EES does not feature highly in the policy discourse and references are still rather rare, in the main draft laws of labour market policy reform references to the EES are used to deliver additional arguments for policy reform. This has been the case in the Job AQTIV Act in order to strengthen the argument to intensify prevention and gender mainstreaming as well as special labour market policy programme for young unemployed. In the introduction of the first, second and forth Hartz Act it is pointed to the EES guidelines in a very general way to say that the whole Hartz-reform is also in line with the EES and can be seen as a step to deliver the objectives of these policies. Particular use has been made of references to the active ageing guideline and recommendations to support a shift from early retirement to increased efforts of older workers’ inclusion into the labour market (in Hartz-Act I and II, Job AQTIV, and in the second reform Act of the Third Social Security Code).

In Germany, the opposition of the government – both as members of the middle-right opposition parties Christlich Demokratische Union Deutschlands (CDU) and the Freie Demokra-

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18 The other two papers in which references to the EES could be found were the consultation paper on full employment in Europe and the DTI paper on “full and fulfilling employment” (which is a normal publication of the DTI and no consultation paper. In the two latter ones only a general support of the EES is expressed as this is seen as mechanism to spread UK approaches throughout Europe. The eight budget reports and the three papers mentioned are 11 of 68 governmental publications so far analysed.

19 “AQTIV” is an acronym and stands for “Aktivieren, Qualifizieren, Trainieren, Investieren und Vermitteln”, i.e. activate, qualify, train, invest and place. The Job AQTIV Act was presented as a measure to raise the effectiveness of labour market policies, especially of placement activities, and to strengthen a preventative approach (e.g. earlier access to employment services’ measures, introduction of profiling, increase of sanctions in case of non-compliance with job seekers’ responsibilities).

20 The four so-called “Hartz”-Acts (Erstes bis Viertes Gesetz für moderne Dienstleistungen am Arbeitsmarkt) are based on the proposals of the “Hartz”-Commission which was established subsequent to the placement scandal of the Federal Employment Office in February 2002 and which was chaired by Peter Hartz, director of the personnel of the Volkswagen AG. These Acts and the Act of reforms of the labour market (Gesetz zu Reformen am Arbeitsmarkt) are regarded by some commentators as the most radical reform in German social and labour market policy in the post-war period. These Acts comprise the integration of unemployment and social assistance from January 2005 on (entailing that unemployment assistance will be reduced to the level of social assistance), considerably increased incentives to take up work, provided for a systematic cooperation between temporary work agencies and public employment services, reduced unemployment benefit receipt (Gesetz zu Reformen am Arbeitsmarkt), reform employment service organisation and management (inter alia).

21 Zweites SGB III Änderungsgesetz, the Third Social Security Code (SGB III) is the former Act of Labour Promotion (Arbeitsförderungsgesetz, AFG), the legal basis for active labour market policies.

22 Party of the Christian Democrats.
in the Bundestag as well as opposition party-led Länder governments in the Bundesrat – often mention European comparisons in order to criticise policies or policy performance in Germany or they criticise the German NAPs as not radical enough to reach a better labour market performance. (This happens although the opposition parties – the Christian democratic party CDU and the Free Democratic Party FDP – are more critical against employment policy co-ordination at European level more generally than the social democratic party and the Greens as they do not approve an upwards shift of competencies which they see potentially induced through this method, instead they emphasise principles of subsidiarity and flexibility. This shows once more the ambivalence of the EES as method in the sense that the opposition parties favour some aspects of the labour market policy approach of the EES and use references to these aspects to criticise governmental policies although they are sceptical about the method itself and maybe more critical against other aspects of the method).

Regarding the social partners, it can be said for both countries that they are not referring to the EES in official statements or consultation documents related to draft laws or green and white papers in the domestic policy discourse. If the EES is mentioned this happens in less relevant documents such as press releases or policy briefs (CBI) (and, of course in the statements dealing explicitly with the EES guidelines from the BDA and the DGB in Germany). For example, the CBI used references to the EES to explain its concept of employability and of flexibility as well as to formulate its position regarding life long learning strategies (CBI 1997, CBI 1999; CBI 2000c), and the BDA/BDI referred positively to the EES in order to express support for active ageing strategies, making work pay, labour market flexibility and the reduction of non-wage labour costs through an adjustment of social protection systems as well as to widen childcare facilities (for which the government should be responsible in the eyes of the BDA and DIHK and not the employers) as this makes labour markets more flexible through the inclusion of the female workforce (BDA/BDI 2000; BDA 2000; BDA 2002; BDA 2003). Furthermore, the BDA and the DIHK referred to the EES to pressure the government to carry out more radical reforms, especially in the sense that social protection systems have to be "reformed" and labour market are to be rendered more flexible (DIHK 2000; BDA 2002). The TUC in the UK does not refer to the EES in its policy statements and press releases but only sometimes to the EU agenda more generally to express support for a strengthening of social

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23 Free Democratic Party (Liberals).

24 The EES was used here to make clear that the training performance of the UK is not as bad as often assumed and to say, i.e. the CBI attempted to play down the EU criticism in order to clarify the CBI's approach that training and life long learning mainly lays in the responsibility of the employed and in the responsibility of the government and that life long learning should serve employers' interests through making the workforce more adaptable to flexible labour markets.
partnership and vocational training. The main discussion the TUC is concentrating on regarding EU issues is to pressure for an adequate implementation of EU labour law directives and to engage against Euroscepticism more generally. As mentioned above, the DGB referred positively to the EES in the first years to support policies of gender equality and active labour market policies, however became more critical against the EES as it does not fully support active ageing strategies (due to the enduring difficult labour market situation leading to the argument that under these circumstances it is more appropriate to make efforts to include the young unemployed into the labour market). The DGB also became more critical against government's policies with the launch of the Hartz-reforms. However, it did not back its criticism on the Hartz-Acts by references to the EES (DGB 2002; DGB 2003b; DGB 2003c). This is one additional indicator that it is difficult to reinterpret the EES in favour of employee interests, since it has already been dominantly interpreted by the other side.

**Discourses.** Which potential impact the EES could have on domestic policy discourses at Member State level is important, as it can be assumed that discourses are framing policy development. Discourses matter since they provide interpretations of problems and situations as well as cognitive and normative arguments to search for ways tackling current political problems. Concrete policies (political programmes) will differ according to the particular understanding of a (causal) relationship between societal problems and their political solutions. A change of policies is, therefore, assumed to be connected to a change of discourse. If the EES has an impact on domestic labour market policy discourses this can be an indicator for future policies' changing. Actually, this is one of the main mechanisms according to which the EES is thought to function: by the diffusion of particular discourses and concepts leading to a convergence of these discourses and finally to a convergence of policy concepts. Taking Germany and the UK under observation it looks as if discourses are becoming more similar on a general level but are still embedded in state-specific situations and discourses\(^{25}\). Labour market policy discourses in both countries introduced key words such as employability, activation and life long learning (in Germany sometimes even in English because these terms are sometimes difficult to be translated into German, but otherwise as "Beschäftigungsfähigkeit", "Aktivierung", "aktivierender Staat", "lebenslanges Lernen" / "lebensbegleitendes Lernen"). Also on a conceptual level similar reasons are provided for "activation" and employability policies:

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\(^{25}\) For an analysis of discourses the approach of V. Schmidt (2000) is very instructive as she does not only focus on the substance of discourses but also on the institutional circumstances discourses are framed by. Depending on these institutional circumstances Schmidt distinguishes between "communicative discourses" in which discourses lead by a politically powerful centre mainly functions to inform the public and "co-ordinative discourses" in which the discourse functions to co-ordinate discourses of a range of important policy actors to reach a decision in the end. The UK is considered to be characterised by "communicative discourses" and Germany by "co-ordinative discourses".
for instance the understanding of welfare-dependency hindering unemployed people to take up a job; the requirement that a new balance of rights and responsibilities of welfare recipients has to be established; and that labour market flexibility and life long learning are required in order to render the workforce more adaptable to changing labour market structures and situations. This observation is plausible in the sense that in both countries with the election of middle-left governments in 1997/1998 a new "third way"/"new centre" discourse has been introduced. This approach had firstly been developed and introduced in the UK and the direction of influence between both countries can be assumed as running from the UK to Germany rather than the other way around.26

When one looks at policy discourses in detail, however, differences in the usage of these keywords, and differences in emphasis of particular aspects of these policy concepts become obvious. These differences also depend on the different labour market and economic performances in both countries: in Germany unemployment still is much higher as in the UK and the starting point of almost all German labour market policy discourses is the aim to lower unemployment. Activation discourses have long been mixed with rather traditional "active labour market policy approaches" still arguing for a certain degree of public engagement in supporting a second labour market. Furthermore, the work-incentive discourse is structured differently in both countries due to traditionally different construction and ideology of social security provision for the unemployed. In the UK work incentives concentrate on job seekers and employees and the "welfare dependency" discussion is lead much more openly while in Germany incentives are also subject of the discussion with a view on employers: this is the discussion of reduction of non-wage labour costs (through reducing social security contributions). In the UK the problem of lower productivity levels features higher in the policy discourse and therefore one of the most important points in policy discussions is the role identified for training and education to achieve an increase in productivity levels. Differences are also observable regarding the understanding of flexicurity: in the UK it is always emphasised that the UK labour market is one of the most flexible throughout Europe and the concern about security of flexible workers is something which still has to be established more deeply. In Germany the discussion rather runs the other way round: the social democrats traditionally stand for providing security of employees. To make the focus on flexibility more acceptable (at least in the beginning of the Social Democratic Party (SPD) in government) the argument

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26 This touches the question of horizontal policy learning between Germany and the UK. Since policy approaches in Germany have become more similar to the UK ones than the other way round, one could assume that - if cross-national policy learning has taken place – rather Germany has learnt from the UK. One example for such a horizontal policy learning is the Schröder-Blair paper which was much discussed in Germany but not in the UK (cf. Roder 2003: 187-9).
went that there has to be security in the first place in order to make flexibility possible (Schröder 1998: 59; cf. also Wilthagen/Tros 2003: 18ff.). Another difference is the development of discourses: while in the UK the "third way" labour market policy discourse appears as not having changed very much since it became dominant with the election of "New Labour" in 1997, the labour market policy discourse in Germany seems to be a) much more diverse in the sense that more actors are participating in the discussion and that even conflicts between different wings within an organisation (e.g. the social democratic party) are publicly discussed. This may be explainable by the institutional context and the difference between the character of "communicative discourses" as in the UK and "co-ordinative discourses" in Germany (cf. Schmidt 2000). b) Discourses (and policies) have changed more radically in Germany, several authors already speak of a paradigm shift in labour market policy in Germany which has taken place over the last six years (e.g. Heinelt 2003).

**Policy areas.** In order to compare which role the EES plays for the development of labour market policies in Germany and the UK, it is essential to examine which policy areas are addressed by the employment recommendations and in which labour market policy areas references to the EES are used in the policy (making) process. To get a more systematic overview over the role the EES can play for labour market policy development I developed a scheme which distinguishes different roles of the EES. The situation in Germany and the UK can better be compared when employing this scheme and asking which policy areas fit in which category of the EES's role. It is proposed to distinguish four roles that the EES potentially can play:

1. Direct influence: changes in policy development occur due to EES guidelines, EU recommendations and the "force" of EU benchmarking. The EES is able to induce path departure against powerful actor constellations and institutional arrangements. This kind of role of the EES could not be found in Germany and the UK so far in the sense that the EES cannot claim having been the main factor of change for a policy change.

2. Changes happened before the EES was introduced. Policies were changed into a direction which fits with the EES line. The EES cannot have been the cause for changes. It is, however possible, that the EES is used after its launch to strengthen this direction of policy development. In the UK, the whole third way activation, employability, and making work pay approach was into force through the Job Seekers' Allowance (1996) and the New Deal programmes (concrete budget plans in 1997) before the EES came into being (cf. Clasen 2002). The EES only influenced debates about the development and interpretation of these pro-
grammes, although without triggering a change advocated by the EU. In Germany, one can say that taking into account a preventative perspective for active labour market policies had already been newly emphasised with the change in the law on active labour market policy 1996. The EES can be seen as having supported the further strengthening of this approach since references to the EES were given when the Job Aqtiv Act was issued. However, compared to the whole set of third way labour market policy approach in the UK, this focus on prevention is only a minor aspect.

3. The EES as a catalyst. If changes in policy discourses or actual policies towards EES priorities are introduced after the EES came into place it is possible that the EES has played a catalysing role for this introduction. This may be concealed if the EES just served as an idea- tional resource for policy makers. The EES might, however, also be used by the actors advocating these changes as reference and legitimating source if policy changes are unpopular domestically. Nevertheless, also in these cases ideational and practical roots might have occurred domestically before the EES came into being, only in a less comprehensive and dominant form (e.g. as policy programmes of parties in opposition or of wings of political parties not very influential at this time or as singular policy aspects not yet embedded in a more comprehensive approach and new discourse. The (almost only) policy field in the UK in which references to the EES can be found is the area of improvement of training and skills policies. Here, the EES might be understood as playing a catalysing role for policy development since it provides additional argumentational resources for the UK government to advocate policy changes in this area. However, the EES cannot be regarded as playing the main or even a very important role for policy development as the discussion on low productivity levels and the need to increase the quality of training and skills dates back long before the EES was launched. Regarding Germany the diagnosis has been formulated by several academics that since the new middle-left government has come into place a shift from active to activating labour market policies has taken place (cf. Heinelt 2003). This was accompanied by a changing understanding of the role of the state in labour market policies with a reduction of engagement regarding the creation of jobs in the public sector and a shift from passive to active measures. Furthermore, the concept of the activating state includes a stronger emphasis on the responsibility of the unemployed for finding a new job and remaining "employable" while the role of the state has been redefined to diminish negative incentives of the social protection

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27 The EU demanded from the UK to change JSA and ND rules in order to fulfil the first or second employment guideline, but the UK refused to comply to these recommendations.

28 In the reform act of the Labour Promotion Act (Arbeitsförderungsreformgesetz AFRG 1996) the aim of prevention was prominently introduced under § 6.
system for taking up a job. Since references to the EES were used to underpin reasons for the introduction of the legal Acts standing for this shift (the Hartz-Acts) it can be argued that the EES played a catalysing role for this development.

4. The EES fails to lead to substantial policy changes. Although the EU is pressuring for changes in domestic policies, such changes cannot entirely be introduced because of actor constellations (powerful actors publicly refusing any influence of the EES) and/or institutional arrangements preventing far-reaching change. Nevertheless there may be political actors using arguments deriving from the EES in order to support change. Because of lack of power to influence the political agenda towards their goals or because of institutional arrangements difficult to be changed within a short period, more fundamentally changes do not take place. This case can be observed in relation to several EES issues in the UK: the UK openly refused to comply with some EES recommendations. One of these recommendations demanded an extension and improvement of social partnership within the UK, another criticised the definition of "active measures" which is relevant to decide whether the indicators of the first/second EES guideline are fulfilled. In both cases the UK made clear that it does not consider changes as necessary since the labour market functions well under this traditional approach yet currently in place (e.g. UK 2001: 8f.; 25). In Germany such an open refuse of EES recommendations and concepts could not be found.

Summary. Governments in Germany and the UK dealt differently with the EES. The UK was keen to demonstrate its active and influential role in the EU arena and refused to adjust traditional approaches according to EU proposals. In Germany a wider and more concrete use was made of the EES to strengthen arguments for policy reforms. Reasons for these differences can be seen in following points: the better "fit" of UK labour market policy approaches with the EES agenda and the better labour market performance in the UK which renders the UK more independent from EU recommendations and "soft pressure" in benchmarking procedures. In Germany, a greater pressure for reform is felt because of the comparably poor labour market performance and the difficulties to fulfil the targets of the GSP. Reforms of the social protection system and labour market policy approaches are, however, not as easily accepted by the German electorate so that arguments referring to international obligations and Sachzwänge are preferably used to blame others for these decisions. On the contrary, the political landscape is shaped by a greater Euroscepticism in the UK than in Germany. Therefore, it is almost a condition of international engagement for the Blair government to present itself as active player in the international arena instead of admitting limitations of national sovereignty by international obligations. The social partners dealt with the EES more actively in
Germany than in the UK which should have to do with the different role of the social partners in the policy process in both countries on the one hand. On the other hand, this may be a secondary effect of how differently the governments deal with the EES in both countries. Furthermore, in the meanwhile employer and economic organisations refer more positively to the EES than the trade unions (if they refer to the EES at all), as they can interpret many parts or the EES as parallel with their interests and as they also favour benchmarking procedures over more binding rules. For the trade unions the EES is no – or at best quite a weak – means to set employers or governments under pressure. Firstly because the EES is interpreted in another way by employers (and governments) and even partially used against the interests of trade unions (this is the case in Germany where the Hartz reforms are increasingly criticised by trade unions but backed up by the government and employers with references to the EES on the one side and also supported by the EU which demands to "closely monitor and evaluate the implementation of the Hartz reforms" (Commission 2004: 14) in its proposal for the 2004 EES recommendations). Secondly, because trade unions know that a non-fulfilment of those indicators or aims supported by trade unions does not entail sanctions and that there are other mechanisms such as GSP rules which are regarded more important than the EES to comply with by governments.

Nevertheless, the EES remains to be an ambivalent project for all parties concerned so that there is no clear division between support or refusal of this instrument. On the one hand the EES may be criticised as not effective enough and inclined to be outweighed by economic and competitiveness objectives but not refused as there are still hopes that the EES can be strengthened. On the other hand, it is feared that the EES is too prescriptive, binding and limiting national competencies, but not refused as it can well be interpreted to fit economic interests, can be regarded as a means to pressure economic friendly reforms through European benchmarking and as an instrument which is preferred against more binding obligations.

Conclusions
The analysis of the role the EES played for labour market policy development in Germany and the UK leads me to hypothesise that policy learning which is catalysed by vertical and horizontal diffusion of policy concepts through the EES can be called "asymmetric". This asymmetry has three aspects: a) When comparing policy developments in the UK and in Germany from 1997 on, policy change in Germany appears to be more radical than in the UK. Although it is difficult to argue that UK concepts - or EU concepts that fit well with UK approaches – have been influential in a direct way in Germany, policy discourses and policy
approaches have become more similar in Germany to the UK (EU) ones than the other way around. In Germany the EES has been used by political actors in a more intense and more concrete way to underpin policy development into this direction. Though in the UK there were fewer areas for potential influence of the EES from the beginning on, it was not used by political actors in a way it could have been there, where a certain potential remained. b) The EES third way agenda is already shaped asymmetrically and does not represent a balanced third way labour market policy model. The EES is, furthermore, framed by EMU and the competitiveness agenda which define the limits of EES policy action and of further development of the EES. c) It appears to be difficult to ensure that both sides of the EES' "third way" concept are equally important for policy development at Member State level. In the UK, these recommendations which were potentially able to strengthen employees' position were refused to be adopted while in Germany the introduction of activation and making work pay strategies put more pressure on employees and the unemployed. While it is still too early to judge on this point (since more intensive studies in all Member States would have to be conducted for an in-depth comparison of development of labour market policies and the likely role of the EES for these developments), one might claim that a convergence towards an imbalanced labour market policy model will take place throughout the EU in which the strengthening of employer-friendly labour market policy approaches and measures is eased by the EES while employees' interests and the interests of the unemployed are increasingly weakened (cf. Aust 2000; Schäfer 2002; Tidow 1999).

This asymmetry of policy development cannot only be ascribed to the character of the EES with its non-binding guidelines, recommendations, benchmarking and best practice exchanges as well as to the content of the EES guidelines but to the still prevailing imbalance of "negative" and "positive" EU integration. What has not been brought about through the EES (or the OMC as a whole) is a degree of Europeanization of labour market and social policies that could lead to a consensus on a more balanced and binding social policy framework at EU level. The current situation for European social policy is, thus, still characterised by the restriction of Member States capacities to organise solidary models of society while these limitations cannot be "filled up"/replenished by precautions at EU level.
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