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Abstract

When the Amsterdam Treaty was established in 1997, employment policy was put on the European agenda. The method used for handling employment policy at EU-level, the Open Method of Coordination, can be characterized as a soft law instrument and in the case of European Employment Strategy (EES) builds on common guide lines at EU-level, which are then translated into national action plans in the member states. This report investigates the way the Swedish public administration has handled the European employment strategy. What kind of demands does the EES pose on national administrations, and how do the processes of Europeanization work?

I argue that the way the EES has been managed can be analyzed from an organizational perspective where conflicting demands on the Swedish state has led to a certain organization of the work activities. On the one hand, Swedish representatives have to act according to the norms of the European cooperation in order to be seen as a legitimate actor. On the other hand, EU and European influence on Swedish employment policy is not a legitimate concept at national level. In order to satisfy these two seemingly incompatible demands the organizing principle of decoupling is being used to create space for manoeuvring for the administration.

One important result is that the administration’s handling of the conflicting demands of being a good European and at the same time keeping EU at arms length, has lead to a situation where changed practices have not been met by corresponding changes in the formal structures, thus blurring roles and responsibilities in the democratic process.

This report is one out of three case studies within a thesis project in political science at the University of Stockholm. Other case studies on internationalisation of the Swedish state administration include the negotiations preceding the Kyoto-protocol to the UN convention on climate change, and negotiations within the WTO. The paper was presented at the European Group of Public Administration’s (EGPA) 2004 conference 1-4 September in Ljubljana, and then held the title ‘Speaking with forked tongue – Swedish employment policy and European guidelines: a case of Europeanization through soft co-ordination’. An earlier version was also presented at The Council for European Studies 14th international Conference of Europeanists, March 11-13, 2004 in Chicago.
A case of Europeanization through soft co-ordination

**Embedded organisations**

The number of attempts to regulate transnational phenomena such as migration, climate change, and acid rain has increased through the processes we most commonly refer to as globalisation and internationalisation.¹ Through these developments the interdependence between states become more and more prominent. Rules concerning transnational issues, in the form of binding agreements, conventions, or standards, are often negotiated and created within various international and European organisations. And in these international rule-making processes national representatives, national level civil servants from the member states as well as from international organisations take part together with NGOs, companies and other actors. Consequently, politicians from the member states are not the only ones to influence the decisions being made. Sweden has now also been a member of the EU for eight years, and the signs hereof have started to show, not only in formal EU-regulation being implemented but also in the organisation of state activities.² This development suggests that national political systems and their administrations are becoming more and more interwoven in various kinds of international processes.³

New demands are placed on national actors in the internationalised environment that are important to cope with. The intergovernmental perspective on European integration theory has focused on adaptation as a strategic action for adjusting to and coping with these new provisions.⁴ However other mechanisms of change need to be investigated. There are many reasons for questioning a view of states as unitary actors, behaving strategically to maximise their clearly predefined interests in international negotiations. Previous studies suggest that what a government wants in a particular matter is something that is developed in the process of partaking in negotiations and deliberations with other state-, and non-state actors within an international context.⁵ Positions are not something that are completely pre-negotiated and ‘brought in a suitcase’ to Brussels or Washington. In the course of complex decision-making procedures, new issues

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² See for example Jacobsson, Bengt Laegreid Per, Pedersen Ove. K (red), *Europaveje-EU i de nordiske centralforvaltninger*, Jurist- og Økonomforbundets Forlag, 2001
may also arise where national representatives must respond quickly, without
time to confirm standpoints with the political leadership back home.\(^6\) These
findings suggest that the national will is created through interaction with others.
Acting strategically to obtain predefined goals may therefore not be the most
accurate way of describing organisational behaviour under circumstances of
uncertainty in terms of possible choices of both goals and strategies.\(^7\) Instead, it
becomes urgent to respond to new situations by living up to new expectations
and fitting in amongst the other actors.\(^8\)

Through applying a neo-institutionalist perspective, this study provides a new
way of conceiving of effects that the increased embededness of states, often
categorized as Europeanization invoke. This paper is based on a study of
Sweden’s participation in the writing of new guidelines for the European
Employment Strategy (EES).\(^9\) The aim is to look at how the administration has
handled the demands of the European co-operation and to explain why the work
has been organized in a particular manner. Empirically the paper addresses
questions of how the guidelines-process has affected the work of the Swedish
public administration, and the national policy making within the field of
employment. From a neo-institutionalist perspective, states are seen as one type
of organisation interacting with other organisations such as companies, other
states, IGOs, and NGOs.\(^10\) Organisations are also looked upon as systems
embedded in their environment. The relation to the environment can accordingly
be seen as an interdependent relation where the organisation – in this case the
state - is dependent on events and behaviour of other related organisations.

\(^6\) Sundström *Att tala med en röst* Score 1999:8 (In Swedish, title in English *To speak with one voice*),
Vifell 2002

\(^7\) See for example Brunsson Nils, *The Organization of Hypocrisy, Talk Decisions and Actions in
Olsen, *Rediscovering Institutions. The Organizational Basis of Politics*, New York: The Free Press,
1989

\(^8\) March J G and J P Olsen 1989

\(^9\) The empirical material consists mainly of interviews with civil servants at the national level involved
in the studied process. but also individuals working within EU-level organisations, with an overview
of the processes, have also been included. Since a neo-institutionalist approach recognises that others
than the formally important persons may be influential, the study also includes interviews with persons
working in the periphery of the processes nationally. The interviewees’ own descriptions of their
behaviour (what they did, in what way and with whom?), will be used to understand what has limited
and decided the room to manoeuvre in the international environment and how the work was organised
in order to cope with the demands of this environment. The interviews are complemented by written
material such as government propositions, position papers and other statements regarding the Swedish
position. The purpose of this material is to ascertain what the aim of Swedish actions has been. The
study also draws on the participant observation made by Renita Thedvall at the secretariat for the
Employment Committee within DG Employment and Social Affairs and at national co-ordination
meetings within the Ministry for Industry, Employment and Communications (Thedvall 2005 Forthcoming)

\(^10\) Ahnö Göran, *Stater som organisationer*, 1998 (In Swedish, title in English: States as Organizations)
The internal structures as well as actions then become shaped by the wider society in which the organisation resides. At the same time the organisation is party to structuring the environment itself through various types of interaction.\textsuperscript{11}

\textbf{Responding to new demands}

Central concepts within the sociological approach within the sociological approach of the neo institutional perspective are legitimacy and room to manoeuvre. These concepts have been linked to organisations’ possibilities and capabilities to live up to various demands from the environment. Organisations have to fit into prevailing normative ideals, in order to be seen as correct or legitimate actors.\textsuperscript{12} This is required in order to receive different kinds of resources needed for survival. Such resources include everything from technical resources and skilled labour to social acceptance.\textsuperscript{13} In network theory it is above all emphasised that these resources may incorporate institutionalised relations building on traditions and established norms, thereby forging a close connection to the aspect of social acceptance.\textsuperscript{14}

An organisation can handle the demands on organisational behaviour in different ways, but rules of behaviour are perceived as important to comply with in order to be regarded as a legitimate actor. In the case of Swedish administration and the EES, it could be argued that the Ministry for Industry, Employment and Communication has to implement, or in other ways show compliance with, established rules and procedures in order to be regarded as a European player. This is important since only those committed to the European project can be expected to have a say in the development of rules at EU-level.

Theoretically, the way of legitimising oneself in relation to one’s environment can be divided into two types of responses: showing conformity with rules or creating rules.\textsuperscript{15} The first response implies that the organisation shows compliance with norms and rules that determine what a correct organisation


\textsuperscript{12} Scott Richard W and John Meyer (eds) \textit{Institutional Environments and Organizations, Structural Complexity and Individualism} 1994


\textsuperscript{15} Oliver 1991, in her dissertation Agneta Karlsson provides an overview of the organisation literature on legitimacy in Karlsson Agneta \textit{Om strategi och legitimitet, en studie av legitimitetsproblematiken i förbindelse med strategisk förändring i organisationer}, und University Press 1991 (In Swedish, title in English: On Strategy and Legitimacy)
should be like. The second response is linked to trying to change the existing rules and modifying the prevailing logic of action into something that fits the specific organisation better. This can be seen as a form of institution building, or a way of redefining institutions in order to limit future demands for change. It can mainly be achieved during the process of institutionalisation, where patterns of action have not yet become taken for granted, or where no norm has yet been established. The same possibility for redefinition can exist in the ‘institutional confusion’ that arises when two established logics of appropriate action are brought together. \(^{16}\)

Prior research shows that only some parts of the administration are affected by EU-related work or international organisations, and interwoven in these processes. \(^{17}\) This can be said to have led to a segmentation of the public administration where some parts handle rulemaking processes and negotiations within various international and European organisations, while others do not. Having to cope with different kinds of demands, and legitimising themselves towards a different type of environment than the rest of the administration, might in turn mean prioritising different values, having different contacts and working in different ways.

**Legitimisation under conflicting demands**

What happens if an organisation faces incompatible demands? In the current example if Sweden, as a member of the EU, adjusts to a European norm and accepts a specific rule, this might get in conflict with how the national opinion believes the policy should be pursued. Or with UN-norms, another organisation in which Sweden also is a member. In short, complying with the European norm risks limiting Sweden’s available strategies in the future. Unsuccessfully fulfilling demands on how to act according to some part of the organisation’s environment might limit the possibilities to be seen as a legitimate organisation in this context. This, in turn, will limit the room to manoeuvre. The situation must not paralyse the organisation but if satisfying one demand now might also mean not being able to satisfy another one tomorrow, this certainly creates a problem.

One way for organisations to handle incompatible demands from their environments is through de-coupling. \(^{18}\) This is achieved by separating different activities from each other, for example by letting different parts of the


\(^{17}\) Jacobson, Laegreid, and Pedersen 2001

\(^{18}\) Meyer John W and Brian Rowan “Institutionalized Organizations: Formal Structure as Myth and Ceremony” in Powell and DiMaggio 1991
organisation handle different issues and/or separating the presentation of activities from their completion. This way the structures and presentation serve to present an adjustment to reflect the legitimate way of handling things while at the same time maintaining ‘business as usual’ behind the scenes. Separating activities from each other over time is another way through which organisations can show compliance with conflicting demands without making such contradictions visible.\(^\text{19}\)

However, one should not overestimate the possibilities of completely decoupling activities. Things can slip through the built-in barriers. Following section will discuss how this can happen and also comment on possible consequences of such overflow for organisational identity and institutional change. One manner in which the de-coupled structures can be circumvented is when environmental ideas are picked up by lower levels in the organisation, which change their behaviour in accordance with these demands. This can give rise to a situation where organisational change is brought about from below, although the management of the organisation had intended only to change the presentation and keep activities separated.\(^\text{20}\)

Another way that decoupling can be overturned is through a process of change stemming from the situation when organisations over time begin to identify with the presented ideal. This can arise when organisations present themselves as a type of organisation, are evaluated as such and interact with similar organisations. In effect, organisations can become who they have tried to show that they already were. And a changed organisational identity implies behavioural norms, according to the logic of appropriateness, on how to act and behave in different situations, which can then also lead to unintended changed behaviour.\(^\text{21}\) As put by Scott and Meyer: “Normative rules exist in the expectations that others have for our behaviour; and they also often become internalised through socialization processes so that they exist in the expectations that we hold for our own behaviour, in our self-identity.”\(^\text{22}\)

Identifying with and being recognised as a certain type of organisation means being able to make use of the opportunity structure in terms of available options for action and awareness of accessible resources.\(^\text{23}\) In the context of the EU and

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\(^\text{19}\) Ibid


\(^\text{21}\) Ibid

\(^\text{22}\) Scott and Meyer 1994

\(^\text{23}\) An identification is needed in order to raise awareness of available resources and consequently in order to make use of these. Compared to Knill and Lehmkuhl’s discussion on the concept of opportunity structure where no identification is needed, this is a somewhat stronger assumption.
the Swedish public administration, this could mean that Swedish organisations start thinking of themselves as Europeans first and foremost. This new identification might shift the focus of activities to encompass broader issues and positions than those given by national interest. The common European project and the best interest of the union would then be more important. There might also be a change in attitudes about how national policy should be developed, with the EU becoming institutionalised as an arena for policy development.\(^\text{24}\)

**The Swedish Case**

**Europeisation as institutional change**

The study can be characterised as a case of Europeanization, in the sense of European impact on domestic structures for policy-making.\(^\text{25}\) Previous studies of the Swedish state administration show that the EU has had quite a substantial impact in terms of both changed working procedures and espoused values among the civil servants.\(^\text{26}\) However as resistance to such changes and a renewed focus on national standpoints are also potential responses, it is thus an empirical question as to whether or not Europeanization does lead to a higher degree of European integration or harmonisation.\(^\text{27}\) How, then, has the specific area of employment policy been affected and responded to the changed environment invoking intensified relations with the European level? Are the Swedish national institutions robust enough to resist pressures for change stemming from the introduction of employment policy at the EU-level? Jacobson argues that transnational institutions, regimes and organisations are likely to have more impact on the domestic level if they are hard law, issued by a single secretariat (single-headed) and constitute a regime or institution with high level of financial autonomy.\(^\text{28}\) The EES fulfils none of these criteria, which suggests that the influence of this EU-level policy at the national level should be rather weak.

However, assessing the impact of EES in the member states raises some methodological problems. Since the EES can be characterised as a soft law instrument, meaning that there are no directives to be implemented and no sanctions linked to non-compliance with the common goals the effects shown might not be as prominent as implemented legislation or redefined national

\(^{24}\) See for instance Jacobsson Kerstin and Vifell Åsa, 2003, “Integration by deliberation” Arena rapport no 2, on the creation of policy networks and epistemic communities through committee interaction within the OMC.


\(^{27}\) Jacobsson, Laegreid, Pedersen, 2004

regulation. Furthermore, the general difficulty of causally determining and separating out the effects of the EES in the member states is especially problematic in the present case since Sweden served as one role model for the contents of the strategy.\textsuperscript{29} In addition, the general soft law character of the open method of co-ordination (OMC) invokes other forms of pressure mechanisms. Kerstin Jacobsson has shown that the OMC focuses on social or discursive regulative mechanisms such as persuasion, diffusion, standardisation of knowledge, strategic use of policy links and time management in order to foster commitment.\textsuperscript{30} The latter especially is crucial, since the implementation resides solely with the member states. As a consequence, it is not unreasonable to expect changes other than direct implementation and compliance arising as effect of the EES in Sweden.

Hence, this study focuses on changes in the structures for policy-making, rather than on changes to the contents of the policy. It also looks at informal practices and rules that may be taken for granted and followed without being accompanied by any explicit directives or regulations. Rule-following, learning, imitation and reflection are some ways that organisations at the domestic level can change in response to pressures from the EU-level. Such pressures may seem urgent to respond to in the everyday work of national administrators. The empirical questions therefore focus on how the work has been organised in order to gain influence over the formulation of guidelines, and what kind of impact this process has had on domestic structures for policy making. These are important concerns, as there may be a close relationship between how the policy is made and who participates in this process, and the content of the policy measures. The organization of policy-making may also affect the perceived degree of legitimacy of the perused policy.

\textit{The Employment Guidelines}

Employment policy was put on the European agenda through the Amsterdam Treaty (Art 125-130) in 1997. As previously mentioned, the OMC, which is used for handling employment policy at the EU-level, can be characterized as a soft law instrument. In the case of the EES, it involves the formulation of common guidelines at the EU-level, which are then translated into national action plans (NAP) in the member states. These plans are then audited by the


European Commission, as well as by the peers from the other member states. In 2002 an evaluation of the EES was undertaken which coincided with a process of synchronizing the employment guidelines in time with the Broad Economic Policy Guidelines (BEPG). It was also decided that new employment guidelines would be developed after the revision. At the time when the co-ordination was initiated, Sweden was one of the most active member states in developing and promoting the EES. However somewhat ambiguously, the Swedish government argued that the EES did not imply any changes for the national policy making within this field. This was also the case in the writing of new guidelines in which Sweden was also very active. Yet if there is no anticipated impact of these rules at the national level, why was it necessary for Sweden to partake so actively at the EU-level in the development of new employment guidelines? How can this ambiguous position be explained?

The high level of involvement is also curious when considering that Sweden has proved to be a reluctant and somewhat sceptical EU-member in many ways compared to other member states. This was visible from an early stage. In the referendum on the application for membership in 1994, the Swedish vote was a ‘yes’ – but only by a scant margin. In 2003 the popular vote was a clear ‘no’ to the third phase of the EMU. The government’s seeming unwillingness to increase EU-regulation in various policy areas such as labour law, social policy and a common defence is indicative of it following this popular mandate.

Within the field of employment policy, the soft law instruments used have been looked upon as an appropriate way of co-operating at the EU-level, since it means that the decision-making competence has remained at the national level. This has also been emphasized by the Swedish government, which has argued that Sweden has had little need for adjustment since the existing national policy has already been well in line with the common guidelines. Furthermore, the issue of employment policy has, as mentioned before, been described as still very much a question of national concern.

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33 Jacobsson, K, 2004, author’s interviews EU-level
34 Author’s interviews Ministry level and national Parliament
Swedish participation in the process
In order to gain influence in EU rule-making processes one has to be and act in certain ways. EU-processes, as a form of international decision-making, display certain characteristics that participants believe they must handle. First, it is commonly argued that it is important to act at an early stage in order to have an influence on any final decisions. By the time an issue reaches the council level, it has already been negotiated and agreed upon at lower levels in the various committees and the council decision formalizes previous decision-making. A second trait is that international negotiations means working with short time frames. Third, it is necessary to make alliances with other actors, both other member states but also INGOs, IGOs and EU-organisations. This is done in order to strengthen arguments and gain support for positions before voting actually takes place. Another way to strengthen arguments is to support them with scientific evidence or expertise. The need to ‘speak with one voice’ and be perceived as a well co-ordinated and serious partner in negotiations is also described as an important demand by Swedish participants. The same Swedish standpoint must be pursued at various levels in the process in order to assure other parties that what is said in each setting is politically sanctioned back home. Finally, it is important to follow established rules. It is necessary to show commitment to agreed-upon policy measures and procedures, in order to be seen as committed to the project and therefore as someone who should have a say in the development of new rules.

In sum, the most important demands placed on the organisations in the studied process are: the need to act early in the process; support arguments with scientific evidence; speak with one voice and show compliance with rules and agreed-upon policy measures. The following section will describe how the Swedish representatives have organised themselves around these experienced demands, thus mapping out the room for action perceived by these actors.

Acting at an early stage – and at all times
The process of writing new guidelines has at the EU-level mainly been handled by the Directorate General for Employment and Social Affairs with some cooperation with the Directorate General for Economic and Financial Affairs. Important documents have been the Commission’s first communication on the

36 Ekengren 1999
37 See also Jacobsson, Laegreid, Pedersen 2004
38 Sundström 1999, Vifell 2002
39 See for instance Vifell 2002
new guidelines in January 2003, as well as the contribution to the Spring Council. The final decision was set to the council meeting of the council constellation for Employment, social, healthcare and consumer affairs (ESH) in the beginning of June 2003. And the Commission proposal was to be discussed in the advisory committees of EMCO – Employment Committee, EPC – Economic Policy Committee, EFC – Economic and Financial Committee, and SPC – Social Protection Committee, prior to the council decision. These committees, being the only ones prior to the council level where any substantive discussions were to take place, were considered very central in the process. The European Parliament, as well as the social partners at the EU-level, was also to be consulted.

The Parliament’s rapporteur on the issue also had close contacts with DG Employment and social affairs informally. This is seen as important for the Commission in order for it to be able to incorporate views of other actors and present a widely supported proposal. Also the social partners at the EU level were satisfied with the final Commission proposal and felt that their views had been incorporated. It also seems as if it was more important for DG Employment and social affairs to make allies than for DG Ecfin, the latter representing financial issues and preparing proposals for the highly important council consisting of the Finance ministers.

DG Ecfin was above all opposed to setting quantitative targets at the EU-level, since it was felt that targets for the employment policy might result in constraints on the economic policy, and hence spill over and restrain the available options for handling economic issues. DG Enterprise was one of the champions for keeping the four-pillar structure, which was later abandoned. The

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42 Although formally under the Council, these committees hold a position in-between the Council, and the Commission as the Commission hosts the Secretariat, and also is a full member of each committee. Some issues, such as country specific recommendations, pass through COREPER and/or a Council working group, but this is for the most part a mere formality and discussions of the proposals do only seldom occur. Only some particularly sensitive issues would be handled at these levels. For a study on the status and functions of the four committees see Jacobsson and Vifell 2003.
43 Author’s interviews EU-level
45 Author’s interviews EU-level
argument for keeping it was a fear that removing the entrepreneurship pillar, and mainstreaming these issues, would lessen their status. Several drafts of the Commission proposal were sent between the DGs where the appendix of targets was alternatively removed and attached each time. Altogether this made the process unpredictable and difficult to influence for the individual member states, partly because of the importance of informal activities.

The central actors in the process at the national level in Sweden became the Ministry of Industry, employment and communications and the Ministry of Finance. These ministries have joint responsibility for both the NAP-process and the EES in general. The importance of acting early in this process in order to gain influence was recognised by the Swedish representatives and made them take part in preparatory forums such as EMCO and EPC. It also involved trying to gain early support from other member states before EMCO meetings. The delegation from the Ministry of Industry, employment and communications sent out so-called non-papers in advance of meetings. These documents were circulated to members of the committee, but also to Commission officials and MEPs. As one civil servant put it: “I think everyone has got it. From the lowest civil servant to the political leadership”. The paper contained the Swedish view on the new guidelines. It emphasized, amongst other things, the need to reduce the number of guidelines and make them less complicated, to clarify their structure and to have them focus more on general targets than on specific policy measures. All in all the Swedish view corresponded fairly well with the Commission’s initial proposal and the ideas brought forward by DG Employment and social affairs. Other member states also produced these kinds of non-papers but none was so widely spread and ambitiously presented as the Swedish one. The idea with spreading it so widely was to convince others at an early stage, before their own views were too strongly set, but also to serve as a point of departure for discussions on the topic and hence make them focus on the Swedish priorities stated in the paper.

Networking and alliances
That early action was linked to alliance-building has already been touched upon in the preceding section. However, in addition to making other member states support the Swedish view, it was also important to seek support from Commission officials, for instance at the secretariat for EMCO. Since officials at DG Employment and social affairs draft proposals and documents before EMCO

[46] Jacobsson and Vifell 2004
[47] Author’s interview Ministry level
[49] Authors’s interview Ministry level
[50] Author’s interviews EU-level
this was seen as an important channel for influencing the content of proposals. Informal contacts and networking were the main tools for gaining support, but these contacts also served other purposes. It was necessary to maintain good communication with other parties in the process in order to gain information about what was happening and where it was beneficial to act. Information was also gained through the strategic positioning of some Swedish officials. During this time Sweden held the chair for one of the sub-groups of the EMCO, and also managed to get a place for an employee of the Ministry of Industry, employment and communication as a national expert on the committee secretariat. These initiatives must be seen as important, since the EES has traditionally involved significant co-operation between member state experts and the development of new guidelines has followed this mode of co-ordination. And while several member states have programmes and strategies for sending civil servants to work in Brussels, Sweden has generally not been successful in getting positions within the EU-administration. The employment area seems to be something of an exception since Sweden, besides the aforementioned two positions related to EMCO, also has one of the alternate members of this committee permanently stationed at the representation in Brussels.

Still, the absolute number of Swedish actors taking part in networking at the EU-level is small. Only those individuals directly involved with the EES, for example in terms of NAP-writing and participation at EMCO-meetings, maintain such contacts. One civil servant, who had recently got a position at the Department of Labour market issues after working in another department within the same ministry, expressed his surprise that the unit was not more Europeanised.\textsuperscript{51} Jacobsson and Vifell’s results similarly show that the spread of and knowledge about the EES is very limited within the Swedish state administration, even among the executive agencies and other departments within the involved ministries.\textsuperscript{52} The Labour market board, the executive agency responsible for the implementation of national employment policy and an important actor in the national policy process, has to date not taken part in the guideline process and most of the officials there seem unaware of the process at all taking place. In the regular NAP-process, The Labour market board also plays only a marginal role and has expressed some critique concerning this.\textsuperscript{53} There are also few contacts between the core group for EU-issues and other units working on domestic policy within integration policy, gender equality and so on.

\textsuperscript{51} Authors’s interview Ministry level
\textsuperscript{52} Jacobsson and Vifell, 2003
\textsuperscript{53} Jacobsson and Vifell, 2003, colleague’s interviews
Experience and expertise
The need to support national standpoints by showing their scientific accuracy requires actors to refer to research reports and to expert organisations of various kinds. However in the case of EES and its guidelines, Sweden has used another kind of expertise and tried to speak from her own experiences and thereby gain credibility due to Sweden’s significant experience in active labour market policy and high-level of involvement of social partners. It is looked upon as an advantage to be able to speak from competence and knowledge and this is also done in various forums. In NAPs, as well as in comparisons between member states, Sweden consciously emphasised the long tradition of preventive and active labour market policy. Another point has been to mention that the EES is closely linked to and inspired by Swedish ideas and models. It is also felt that these types of arguments are valid and listened to and create an advantage for Sweden as a forerunner.54

However this positioning creates a rather intriguing situation in relation to the exchange of best practice and learning that is supposed to take place between the member states. Although Sweden participates in these exchanges, Swedish actors also claim nationally that no adjustment is needed, and that it is rather a question of helping and teaching others to reach the same level rather than learning something from others. This is a position that is not legitimate to pursue in the same terms at the EU-level. It raises the question of how seriously one actually intends to be in terms of openness to learning from others. Other actors such as the non-socialist opposition in parliament as well as the social partners on both sides have also been critical of the government’s handling of the EES from this aspect.

Speaking with one voice – close national co-ordination
The findings so far show that the Swedish administration has experienced the need to be well coordinated in order to ‘speak with one voice’ in different committees, and at different levels in the policy process. This consistency has been seen as important in order to give the impression of being a well-prepared and serious partner in various negotiations. However it is also believed that other member states sometimes use an opposing strategy of compensating that, which has not been well received by others in one forum by stating the opposite in another. This behaviour is considered strategic and self-interested and perceived to make the process more difficult and uncertain for other participants. The Swedish actors look upon such member states as unreliable, since there is no way of knowing the member state’s actual position. In addition to the risk of conflicting and therefore uncertain claims, there is the attendant risk of not knowing if and when representatives have co-ordinated positions with the

54 Author’s interview Ministry level
political leadership and other policy areas. This makes it unclear whether positions will be sustainable.

The national co-ordination in order to speak with one voice at the EU-level has mainly been concentrated to the ministerial level. The core group working on the EES consisted of no more than ten or twelve civil servants from the unit for employment policy at the Ministry of Industry, employment and communication and the unit for Fiscal policy and EMU at the Ministry of Finance. Since this core group includes all the Swedish members and alternates in both the EMCO and the EPC, the co-ordination has been carried out informally and through formal co-ordination meetings before the respective committee’s meetings. In these forums, the committee members may also participate at each other’s meetings thereby achieving inter-ministerial co-ordination. In practice this often also means informal contacts and networking outside the formally established organisational structures, in part due to the prevailing short time limits and European-level networking practices described above.

It should be noted that the national co-ordination is seen as largely unproblematic, without the tension traditionally perceived between the Ministry of Finance and the Ministry for Industry, employment and communication. It is believed that the national differences are smaller than those found between Swedish views and those of other member states – and also smaller than the internal differences in many other member states. In short: the national co-ordination at the state level is conceived as well developed and working smoothly. The inter-ministerial co-ordination is also seen to have improved due to the work on the EES. This, however, is not the case in relation to other national actors such as the national and local-level social partners and the Labour market board. In the observed case, these sub-national actors and social partners were excluded from real influence in the national co-ordination process since they were only invited to comment on already written Swedish standpoints. Though there are regular meetings at the Ministry of Industry, employment and communications where the social partners from both the state and local level are represented it is only already agreed-upon government’s views about the guidelines and the EES in general (including the NAP) which are discussed here. This makes the meetings more a channel for one-way communication and information from the government than actual co-ordination of views and debates on policy.

55 Author’s interviews Ministry level
56 Author’s interviews Ministry level and Social Partners at national level
57 Jacobsson & Vifell 2004
58 Ibid
A reluctant rule follower

In order to be perceived as a legitimate or ‘committed’ actor at the EU-level, it was deemed important to show compliance with agreed upon EU-level rules.\(^\text{59}\) This compliance concerned both policy and procedure. In fact, in the current case it is perhaps even more important to show conformity in other ways than policy implementation since the soft nature of the rules make pressure mechanisms weaker. Conformity with existing rules and norms is upheld through networking, which seems to be the dominating mode of interaction, but also through showing support for the Commission’s view on how to handle the EES nationally (for example by consulting with social partners and so on, as discussed in a previous section). The NAP is another example of this conformity, yet assignments, which are given to, the Labour market board and which are in line with the EU guidelines or recommendations are in the national context not presented as such. The connection with the content of EU-policy is not made explicit in any way.

The Commission has increasingly emphasised the need to involve implementers of employment policies at national level, and a broader set of stakeholders, in order to assure the spread of the EES in member states.\(^\text{60}\) Sweden has in the case of the guidelines also tried to show compliance with these ideals by letting the social partners at the state and local levels comment on the Swedish position and the commission proposal on the guidelines. However, as previously mentioned, these discussions were undertaken at such a late stage in the process that the relevant documents are already decided upon and not subject to change. This is something that was criticised by the social partners. In fact, the employees’ organisation at the local level did not even bother to attend all such meetings since they were viewed as useless.\(^\text{61}\) The argument on the part of the government for involving other actors at such a late stage has mainly been that employment policy is still a purely national concern. Hence it is difficult to see how and why the national level actors, who already take part in the national process, could and should contribute.\(^\text{62}\) The EU-level guidelines are described as nothing more than that which already is the established Swedish view, thereby denying that the EES is a cause or a pressure for change. However the political opposition, as well as the social partners, have commented on the fact that they do not believe the government takes the EES seriously enough. One view is that national policy could be improved by following the EU-rules more wholeheartedly. For

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\(^{59}\) Author’s interviews Ministry level


\(^{61}\) Author’s interview, Social partners national level

\(^{62}\) Author’s interview ministry level
instance, the non-socialist opposition used the recommendation on lowering taxes on labour in their pleading for tax cuts.

Lately the Commission has also tended to emphasise the involvement of national parliaments. Sweden lives up to these requirements since Riksdagen – the Swedish Parliament - is consulted. But in practice the Parliament has not been a part of the guideline process, and only plays a minor roll in the regular NAP-process when it is presented by the government.\textsuperscript{63} That this is the case is by some MPs considered the appropriate way, since the Swedish employment policy is not seen as affected by the European co-ordination.\textsuperscript{64} The strategy as such and the OMC in general are also fairly vague concepts to most MPs. However some civil servants from the Ministry level feel that the committee handling employment policy sometimes give quite intense hearings when they are presenting the government’s position. But this does not mean that the position is subject to change.

**Institutional change and new opportunities**

*De-coupling*

Empirical evidence suggests that the Swedish administration has had to manage the conflicting demands of both being a ‘good European’ and keeping EU at arm’s length. The way this has been done could be depicted as de-coupling. On the one hand, there is a de-coupling of activities in the way the EES has been organised at the ministerial and agency level. At the two relevant ministries, there are only a few civil servants working within a single unit that handle EES issues. This unit is not closely linked to other units at the same ministry, whose work is related to the national employment policy. In this way, separate parts of the organisation can be displayed to different parts of the environment and respond according to opposing norms of how the organisation should behave.

There is also a de-coupling of presentation and activities. Sweden actively follows the rules of the EES in writing NAPs, receiving recommendations and networking at the EU-level. This shows Sweden to be a legitimate, European player with the ability and right to participate as a relevant partner in negotiations for the new guidelines. Yet, there is no mention of the EES and the EU when employment policy measures are undertaken at the national level. For instance, when the EU-recommendation for improving integration of immigrants into the labour market was followed by a mission in the government approval document for the Labour market board to look into these issues there was no reference to the EES. Instead, the idea was presented as a Swedish initiative. One explanation for this is that it is not legitimate to implement policy measures concerning employment, which stem from the EU and that it is important to

\textsuperscript{63} Jacobsson and Vifell 2004

\textsuperscript{64} Author’s interviews, Ministry level and Parliament national level
claim that policy is already in agreement with all EU rules, and that the policy area is solely of national concern.\textsuperscript{65} The de-coupling of presentation and actions makes it possible to satisfy seemingly incompatible demands at the national and EU-level and give the Swedish actors room to manoeuvre in both contexts. Altogether Sweden manages to speak with one voice both at the national and at the EU-level, it says the opposite things in the different contexts. In each setting, the position is coherent, but this is not the case between contexts.

Another effect of this de-coupling, coupled with the close state co-ordination, is the ability to exclude certain actors from the process. The local level, as well as the social partners, and the implementing agencies have in this way been left out. It is claimed that employment policy is still only of national concern, making it pointless for these actors to take part in what is purely a presentation for Brussels since the ‘real’ Swedish employment policy is created in the same ways and arenas as always, and where these actors play central roles. However, as discussed here and more in-depth later on, the impact on national policy making of the EES can not be seen as negligible.

\textit{Enclaves in the Swedish state administration}

Another way to describe the de-coupled, core group organisation and its effects is that a specific logic of action is created within these tight networks. The concept of networks is perhaps misleading, since it might be conceived as something open and loosely structured. This is in marked contrast to these groups, which are well coordinated and fairly closed to influence from and view of other actors. Such groups are perhaps best described as \textit{enclaves} which in practice are disconnected from the organisational units to which they formally belong (ministries, agencies etc), and instead take part in European and international processes together with actors from other organisations with which they have much closer relations. The Swedish standpoints are to a great extent created in interaction with other member state representatives, IGO-actors, NGOs etc. Hence these closely coordinated groups have limited contacts with other parts of the Swedish administration, making them enclaves in the Swedish state where different working procedures prevails and the formal procedures of the Swedish administration are by-passed.

The co-operation and close contacts between employment policy experts in the member states and at the Commission have facilitated informal contacts and exchanges on ideas and best practices, as well as a consciousness of shared

\textsuperscript{65} A similar situation can according to Kelstrup Morten, 2002, \textit{Denmark in the process of European integration: Dilemmas, problems and perspectives in Danish integration policy}, Paper presented at the Conference “Patterns of Danish Development: EU and the National State” University of Copenhagen March 28\textsuperscript{66}, be observed in the Danish case concerning EU-related issues.
problems and challenges. In this way new ideas may be picked up, developed and transferred within the EU-networks and contribute to national changes. It also seems increasingly legitimate to receive criticisms and suggestions on national policy choices through this intense interaction; a socialisation has taken place.\textsuperscript{66} This means that Swedish policy is now partly being created somewhere else, where all involved actors do not have access.

Redefining the rules of the game
The empirical material also illustrates another way of handling competing demands in the attempts to influence the rules of the game, and in this way proactively tries to shape future demands. Sweden has been quite active in trying to influence the studied processes, and an interesting observation is that the Swedish standpoints and priorities have for the most part been concerned with procedural, rather than substantial, matters. This can be interpreted as trying to change ‘the rules of the game’ in order to bring future decisions closer to the Swedish norm. This would help to avoid pressure to adjust procedures, and also perhaps content, since the EU-processes would be close to the traditional Swedish way. A second benefit might be to facilitate Swedish influence if the ‘rules of the game’ are familiar.

Organisational identity and failed strategies
Despite the seeming accomplishment of de-coupling, there are signs that the multilevel game of EU-co-operation has prevented the de-coupling strategy from being completely successful. Although local level actors have been excluded from influencing the guideline process, they have been encouraged and supported by the Commission to write Local Action Plans (LAPs). This has connected them to the EU-level and facilitated participation in conferences and meetings with other local and regional actors from around Europe. For instance, some municipalities have been connected to the organisation Eurocities that works to strengthen the local dimension in the EU. Eurocities has, among other things, encouraged its members to produce the aforementioned LAPs. Such contacts are considered valuable. As one politician from a Swedish municipality put it: “We may not look like any small town in Sweden, but instead we might have similar problems to tackle as does Nice or some other city in Europe”.\textsuperscript{67} A possible redefinition of identities, which may lead to new patterns of action, seems to be taking place also at this level in the state organisation.

And if lower levels of the national organisation pick up and incorporate EU-level ideas, a change may occur in the organisation as a whole. New self-

\textsuperscript{67} Author’s interview, local level
perception gives new prescribed ways to behave, with related modes of action and preferences that fit these new ideas of who you are. A new identity also makes new resources available. For example, financial resources have been allocated to the sub-national level through the Commission programme “Acting Locally for Employment”. The exchange of experiences with other local actors around Europe, which is perceived as a valuable source for finding help and ideas to handle concrete problems in the municipalities, means that ideas can be transferred directly from other cities or municipalities without involving higher levels of the organisation. However for these resources to become available required a change in the self-perception on behalf of the involved actors. Since the state level had excluded the local actors from the EU-level process, the recognition of learning potential had to come about for the sub-national actors to become aware that such resources were available. One source for such ideas on sharing experiences with other organisations in the same situation was the Commission, who had tried to mobilize local actors in order to strengthen the national impact of the EES. 68 Thus the local level actors in Sweden have increasingly come to define themselves as actors belonging to the European project and an augmentation of interest for the LAPs can also be noted at state level. Thus it is possible to perceive of the pressure for conformity in terms of recognising the importance of local level participation stemming from both the EU and the local level.

However the conclusion that subnational actors have taken part in EU-networking, resulting in identity transformation purely as a strategy of adaptation to a new situation, should be scrutinised more carefully. As for instance Kohler-Koch points out, one should not overemphasise the role of the Commission as an ideational entrepreneur since actions at the national level might be undertaken in response to parallel domestic developments. Hence the analytical view needs to be broadened. 69 In this case, the local level strategies are closely related to parallel national developments. However the Commission initiative has provided the local level actors with new ideas about where to find solutions to their problems. In other words, they have been provided with an opportunity structure as a consequence of the mobilising attempts from the Commission that has made them define themselves as European actors, and hence also put pressure on the state level to involve them in other EU-related issues such as NAP-production and writing guidelines.

The de-coupling of actions at the European level and presentation at the national level also seems to be challenged by the processes of institutionalisation and socialisation among the civil servants in the national core group. It is becoming

68 Jacobsson and Vifell forthcoming 2005
69 Kohler-Koch Beate European Networks and Ideas: Changing National Policies? European integration online papers vol 6 2002 no 6
more and more legitimate to pick up ideas from other member states. The interaction within the EMCO, where arguments are always given as national standpoints, seems to have made the standpoints more reflexively held. And although Sweden was quite certain in the beginning that there was not much to be learnt from the other member states that could improve or change the Swedish employment policy, there seems to have been a change in this self-perception. The networking between central actors in the national policy processes has given rise to exchanges of ideas. And participating in benchmarking and NAP-production, where national ideas are presented in light of the common challenges discovered and debated in the committee, has in certain aspects disproved the notion of the EES having little or no relevance to Sweden.

Furthermore, presenting oneself to the European arena as part of the European project and as someone sharing ideals and goals with the others has arguably started a process of identity-transformation. Since one has to present and act according to these European ideas and for instance find and formulate examples in Swedish policy related to the EES for the production of NAP, combined with the development of shared frames of reference with other member states, Sweden has in certain ways become the image intended as ‘window dressing’ for the EU-level.

Conclusions
In this report it is argued that the way the EES has been handled can be analyzed from a neo-institutional perspective. Such an approach shows how conflicting demands on the Swedish state have led to a certain organization of work activities which explains the somewhat ambiguous Swedish position on employment issues at the national and EU-level. Viewing the state organisation as an open system, makes adaptation one consequence of trying to gain legitimacy in face of the demands placed on it by its environment. However the demands placed on an organisation may not be compatible. I have argued that the way Sweden has handled the process of writing new employment guidelines can be explained in terms of handling conflicting demands and creating room to manoeuvre.

More specifically, in the present case Sweden faced the dilemma of being both a ‘good European’ and at the same time keeping EU at arm’s length. So on the one hand, Swedish representatives had to act according to the norms of the European cooperation and create alliances with others, take part in networking

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70 Jacobsson and Vifell 2003
and show adherence to the rules of the EES in order to be seen as a legitimate actor. On the other hand, EU and European influence on Swedish employment policy was not a legitimate concept at the national level. In order to satisfy these two seemingly incompatible demands, the organizing principle of de-coupling has been used to create room to manoeuvre for the administration.

Separate units handle EU-issues and national employment policy, different things are said at the European level and the national level, and certain actors are left out of the process nationally so as to limit the spread of EES. For instance, in order to show compliance with the Employment Strategy Sweden also invited the social partners, as encouraged by the Commission. However these groups were only allowed to comment on already written statements and had no real influence in the process. Arguably, then, the purpose of that alliance was to legitimise the Swedish standpoint as being made in accordance with EU-rules. And by claiming national independence within the policy area, it was possible to keep actors out arguing that the Swedish policy was created somewhere else.

Having said this, the possibilities of coping with the situation through de-coupling should not be overemphasized. Local and regional actors have also picked up ideas introduced at the EU-level, and have tried to use these to exert pressure at the national level. There has been a redefinition of roles and identities at lower levels in the state administration, which has induced new strategies and ways of achieving goals. I have also made the case that the Swedish identity is being transformed by different levels partaking in different parts of the EU-processes. By presenting oneself as a European player at the state level and following rules and participating in cooperation of various kinds, there has been a change in what kind of organization one identifies with. Through participating in European networks, new ideas and policy approaches have been introduced, and the socialisation process involving central policy makers in Sweden has changed the location of where the Swedish policy is actually created. The close contacts between central policy makers in the member states and the Commission have created networks, and relations where it is easy to call a colleague from EMCO or the Commission to find information or discuss policy measures and ideas.

Another important conclusion is that the administration’s handling of conflicting demands has led to a situation where changed practices have not been met by corresponding changes in the formal structures, thus blurring roles and responsibilities in the democratic process. Therefore the study is also important in that it sheds light on further consequences of the demands the EU-membership places on national state administrations. The decoupling of talk and practice, and of different practices, has obscured where Swedish policy is being developed. The intense networking at the EU-level has caused units within the
national administrations to become closely involved with international counterparts, and in practice becoming disconnected from the organisations to which they formally belong. In these policy networks – or enclaves – policy makers and experts formally or informally come together and exchange ideas on how to handle new policy measures. This occurs at the same time as the national government claims that nothing has changed because of the EES. All in all this can lead to a bypassing of formal structures which limits the transparency of the policy process and the possibility of holding anyone accountable for the decisions taken.

These concerns also raise questions regarding the steering of the national administration. From Weber and onward, the role of the administration has been ideally depicted as following the orders of the politicians and responding to democratic demands on work procedures with formal regulation taking place through government approval documents and the constitution. However, studies like this one shows that that the formal steering does not correspond to how the administration is governed in practice. The closed networks or enclaves within the administration are in practice disconnected from the organisations they formally belong to, and also from related systems of formal steering. This contributes to problems of democratic legitimacy since the steering of the administration is not done according to the formal account.

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