

Contents

Foreword and Acknowledgement	5
List of Graphs and Tables	15
List of Abbreviations	19
1. Introduction – A First Snapshot of the Research Subject	27
1.1 Research Focus: Key Aspects, Core Questions, and Most Distant Cases as Spine of Analysis	27
1.2 Research Design: Variables, Theses, and Methodology	31
1.3 Structure and Division: The Road Map for the Train of Thought	35
2. Theoretico-Empirical Frame of Reference: The Conceptual Backbone of Analysis	38
2.1 Europeanisation through the OMC within European Multilevel Governance?: The Supranational Ω and A of Domestic Change through European Provisions	38
2.1.1 European Multilevel Governance: Rapprochement to the Systemic Background of Europeanisation	39
2.1.1.1 The Governance Concept: Development and Surplus of an Analytical Approach	39
2.1.1.2 European Multilevel Governance: Co-ordination and Steering Processes within a Multilayered Political System	45
2.1.1.2.1 Systemic Premises: A Political System of Increasing Interweavement	48
2.1.1.2.2 Functional Characteristics: Policy-Making under the Conditions of Interdependence	50
2.1.1.2.3 Structural and Procedural Features: European Multilevel Policy Networks and Policy-Making	51
2.1.1.3 New Modes of Governance: Multilevel Policy Co-ordination through the Open Method of Co-ordination	62
2.1.1.3.1 Emergence and Expansion: A New Policy Instrument Rooting in National Reluctance to Transfer Sovereignty	62

2.1.1.3.2	Characteristic Features: ‘Let’s Co-ordinate’ – Achieving Better Practice by Exchanging Best Practice	67
2.1.1.3.3	Restrictions and Benefits: ‘Much Talk about Nothing’ or ‘Change through Exchange’?	74
2.1.2	The Concept of Europeanisation: Why ‘Brussels’ Matters, Why ‘Back Home’ Matters and Why It Is a Matter of Perspective	79
2.1.2.1	Multiple Definitions and Latent Concept Stretching – An Analytical ‘Wunderkind’ within a Conceptual ‘Tower of Babel’	80
2.1.2.2	Central Characteristics: ‘Up and Down and Cross’ – Scores of Ways to Impact	86
2.1.2.2.1	Domains of Europeanisation: Domestic Targets of Adaptation Pressure – Increasing Complexity to Enhance Conceptual Lucidity	91
2.1.2.2.2	Categories of Europeanisation: Domestic Change between Retrenchment and Transformation	93
2.1.2.3	Europeanisation and Domestic Change: Cause and Effect of Policy Change and Institutional Isomorphism – Different Sides of a Multi-Dimensional Coin?	95
2.1.2.3.1	Europeanisation of Public Policies: Means and Results of Policy Change in-between Policy Diffusion, Transfer, and Convergence	97
2.1.2.3.2	Europeanisation and Institutional Change: Institutional Isomorphism on the Winning Track?	102
2.1.2.4	The ‘Whole Picture’ of Europeanisation: Key Elements Boosting or Blocking Domestic Change	105
2.2	Intervening Variables Boosting or Blocking Domestic Change caused by Europeanisation	111
2.2.1	Domestic and Cognitive/Normative Structures: National Institutional Capacity and Veto Points – Central Characteristics of the UK and Germany	112
2.2.1.1	The United Kingdom: Integrated Leadership, Centralised Polity, ‘Trimmed’ Pluralism, Few Veto Points	112
2.2.1.2	Germany: Fragmented Leadership, De-centralised Polity, ‘Corporatist Style’ Pluralism, Several Veto Points	122
2.2.2	Domestic Public Policy and Timing of the EES: British and German Welfare State and Employment Policy Traditions – Fringes of a Gamut?	136
2.2.2.1	The United Kingdom: Beveridge, De-regulation Thatcherite Style, and Blatcherism – Fast Track towards ‘New Labour’ Doing it the ‘Third Way’	138
2.2.2.2	Germany: Bismarckian System, ORDO-Liberalism, Neo-liberalist Monetarism, Re-Unification – The Path towards ‘ <i>Neue Mitte</i> ’ Hunting for Growth	146

2.2.2.3	The Constraints of Supranationalisation and Internationalisation: The Impact of European Economic and Monetary Integration, OECD, and IMF	156
2.3	Guiding Assumptions and Theses: Harvesting the Conceptual Vineyard	158
2.3.1	Europeanisation of Domestic Employment Policy Co-ordination Structures: Adaptation and Change Leading to Institutional Isomorphism?	160
2.3.2	Europeanisation of Employment Policies: Policy Transfer and Diffusion Leading to δ -Convergence?	165
2.3.3	Applicability of the Europeanisation Approach: Misfit and Adaptation Pressure – Omnipotent Concepts To Explain Change Instigated by the OMC?	168
3.	The <i>Why, When, How, What, and In How Far</i> of European Employment Policy Co-ordination: Genesis, Characteristics, and Limits	171
3.1	<i>Why and When?:</i> The Path towards the EES – From Supplementing the Single Market towards the Lisbon Strategy	171
3.1.1	From Rome to Essen: The Long Way from Supplementing the Single Market towards the Headstone of the Luxembourg Process	172
3.1.2	From Essen to Lisbon and beyond: Path-Dependent Formal Emancipation Arriving at the Luxembourg Process, the EES and the Lisbon Strategy	178
3.1.2.1	From Essen to Amsterdam: The Formal Constitutionalisation of the EES	178
3.1.2.2	From Amsterdam to Luxembourg: The Pre-Ratification Kick-Off of the Luxembourg Process	184
3.1.2.3	From the Luxembourg Process to Lisbon and Beyond: The Lisbon Strategy Putting the EES into the Sustainability Context	186
3.2	<i>How and What?:</i> Structural-Procedural Aspects and Policy Paradigm of European Employment Policy Co-ordination – The ‘Letters’ and the ‘Practice’	189
3.2.1	The ‘Legal Constitution’ of the Luxembourg Process: Structural-Procedural Aspects of the Written Proto-Type OMC	189
3.2.2	The Underlying ‘Policy ID’: Spotlight at the Initial <i>What</i> of the EES	195
3.2.3	Adaptation to the ‘Practice’: The Official Interim Assessment and the Streamlining of the EES – A Re-Interpretation of the ‘Legal Constitution’	199

3.2.3.1	The First Five Years: Positive Interim Assessment, Rocketing Complexity – The EES Achieving Better Practice by Exchange of Best Practice?	199
3.2.3.2	The ‘New’ EES: The 2003 Streamlining of Supranational Socio-Economic Policy Co-ordination	205
3.2.3.2.1	Structural-Procedural Adaptation Aiming at Enhanced Synergy and Coherence: ‘Slimlining’ the EES?	205
3.2.3.2.2	The 2003 New ‘Policy ID’ of the EES: From Four Pillars to Three Overarching Targets	209
3.2.3.3	The 2003 and 2004 ‘Kok Reports’: Initiating the Re-Launch of the EES and the Lisbon Strategy – Re-Energising Implementation, Re-Calibrating Priorities	212
3.2.3.4	The 2005 Renewal of the Lisbon Strategy: Welding EGs and BEPG – Integrated Guidelines for Growth and Jobs	217
3.3	<i>In How Far?:</i> European Employment Policy Co-ordination and the Constraints of Supra- and International Economic Integration	218
3.4	Interim Assessment: The Impact of the EES – Potential to Europeanise or ‘Fettered’ New Mode of Governance?	228
3.4.1	<i>Why and When?:</i> The Slow Path of Bottom-up Europeanisation – Economic Mal-Performance Accelerating Up-Loading Processes	228
3.4.2	<i>How?:</i> New Ways of Europeanisation – Networking, Mutual Exchange and Learning as the Key to Domestic Change	230
3.4.3	<i>What?:</i> A New ‘Policy ID’ to Europeanise National Employment Policies – The Activation Paradigm’s Potential to Attain δ -Convergence	235
3.4.4	<i>In How Far?:</i> A New Mode of Governance Constrained by the Supranational Macro-Economic Integration Paradigm	239
4.	Structural-Procedural Aspects in Practice: The ‘Living Constitution’ of the Proto-Type OMC – The Political Reality of the EES-PCN	241
4.1	The Supranational Part of the EES-PCN: Cards Re-Shuffled Revealing a New Integrated Approach?	241
4.1.1	The European Commission: The ‘Primary Administrator’ of the EES – Analysing, Preparing, Evaluating, Negotiating, and Drafting	243
4.1.2	The Council of the EU: Multilevel Switchboard of the New ‘Third Wayism’ Co-ordination Structure – The EES-PCN Going ‘A Little’ Public	250
4.1.3	The ‘Others’: The European Council, EP, ECOSOC, and CoR – The Eagle of Processes and the Mere ‘Also-Rans’?	255

Contents

4.1.4	The Social Partners: The EES-related Supranational Social Dialogue – Real Integration or Just Friendly Lip Service?	256
4.1.5	Interim Assessment: The Supranational Part of the EES-PCN – A New Integrated PCN Interlinking Socio-Economic Policy Co-ordination Processes?	263
4.2	The National Ends of the EES-PCN: Bypassing Domestic Paths or Resilient Traditions at Work – Adaptation Leading to Institutional Isomorphism?	270
4.2.1	British Employment Policy Co-ordination: Integrated Leadership, Centralised Polity, ‘Trimmed Pluralism’, Few Veto Points, and the EES – ‘Strangers in the Night’?	270
4.2.1.1	The Department for Work and Pensions: Pilotage of the British Part of the EES-PCN – Guiding, Steering, and Compiling the UK NAP	271
4.2.1.2	The Department of Trade and Industry: Channelling the Social Partners – Business as Usual?	273
4.2.1.3	Her Majesty’s Treasury: Paramount Economic Overlook – Who Pays, Surveys	274
4.2.1.4	The ‘Others’: No. 10, the DfES, Parliament and the Devolved Administrations – Additional Protagonists or the Play’s Extras?	276
4.2.1.5	The Social Partners: British Social Dialogue Traditions and the UK Part of the EES-PCN – Strait-Jacket for New Ways of Policy Co-ordination?	277
4.2.1.6	Interim Assessment: The UK Part of the EES-PCN – ‘Doing it the British Way’ in the Shadow of Centralisation	283
4.2.2	German Employment Policy Co-ordination: Fragmented Leadership, De-Centralised Polity, ‘Corporatist Style’ Pluralism, Several Veto Points, and the EES – ‘Brothers in Mind’?	286
4.2.2.1	The Ministry of Finance: Pulling the Strings – Technical Lead as a Matter of Principle	288
4.2.2.2	The Ministry of Economics and Labour: The ‘Window to the Outside World’ – Keeping an Eye on Policy Contents	290
4.2.2.3	The ‘Others’: Inter-ministerial Co-ordination, the Subnational Level, and Parliament – Just Small Cogwheels within the German Part of the EES-PCN?	291
4.2.2.4	The Social Partners: German Social Dialogue Traditions and the Domestic Part of the EES-PCN – The Hare and the Hedgehog?	294
4.2.2.5	Interim Assessment: The German Part of the EES-PCN – De-centralisation as Process-Guiding Principle – ‘If it Works for Us it also Works for Brussels’	300

5. Domestic Adaptation to the ‘Policy ID’ of the EES: Policy Transfer and Diffusion Leading to δ-Convergence in the UK and Germany?	305
5.1 British Employment Policies under the EES: Deviating from Beveridge, Thatcherite De-regulation, and Blatcherism while ‘Building Up’ Domestic Employment Policies?	306
5.1.1 The ‘Stand-Alone’ EES (1997/98-2002): Autonomous Europeanisation Power and Embeddedness of the EES’s ‘Policy ID’ into British Traditions?	307
5.1.1.1 ‘Building the Base’ in 1997/98: The ‘New Deal’ and the EES – Fraternal Twins See the Light of Day?	309
5.1.1.2 Further ‘Constructing the House’ in 1999: The Extension of the New Deals – Tending to All-embrace the Workforce	315
5.1.1.3 Taking Care of ‘Interior Fittings’ in 2000: Consolidating Domestic Policies in the Light of Good Performance	320
5.1.1.4 ‘Corralling the Plot’ and ‘Unshuttering the Windows’ in 2001: Defending and Fine-Tuning Policy Choices For a More Inclusive Labour Market	326
5.1.1.5 ‘Outbuilding the House’ and ‘Designing the Grounds’ in 2002: Keeping to the Domestic Approach and Adapting Structurally to Devolution	331
5.1.2 ‘Extending the Driveway’: Expanding Existing Policy Approaches under the Streamlined EES (2003-2005) – Europeanisation Impact Intensified or Blurred?	339
5.1.3 Interim Assessment: The EES’s Impact on British Employment Policy Priorities – Policy Transfer and Diffusion leading to δ -Convergence?	348
5.2 German Employment Policies under the EES: Deviating from the Bismarckian System, ORDO-Liberalism, ‘Global Guidance’, Neo-liberalist Monetarism, and the ‘ <i>Neue Mitte</i> ’ under the Burdens of Re-Unification?	356
5.2.1 The ‘Stand-Alone’ EES (1997/98-2002): Autonomous Europeanisation Power and Embeddedness of its ‘Policy ID’ into German Traditions?	357
5.2.1.1 Adapting the ‘Old Edifice’ to New Functions in 1998: The Conservative-Liberal Coalition Government’s Remedies and the First German NAP	357
5.2.1.2 ‘Tearing down Old Walls’ and ‘Building the Base’ in 1999: The ‘ <i>Neue Mitte</i> ’ and the Start of Its Socio-Economic Reforms	363
5.2.1.3 Cost Control to Continue Re-Construction in 2000: Laying the Budgetary Grounds for Further Socio-Economic Reforms	369
5.2.1.4 Waiting for the ‘Blueprint’ to be Designed in 2001: Evaluating Existing Approaches Instead of Launching New Activities	375

5.2.1.5	The Start of ‘Fast-Track Construction’ in 2002: Reform Boost after Years of ‘Dawdling over’ Substantial Modernisation	382
5.2.2	‘Speeding up the Construction Process’: Post Reform Boost Trends under the Streamlined EES (2003-2005) – Europeanisation Impact Intensified or Blurred?	392
5.2.3	Interim Assessment: The EES’s Impact on German Employment Policy Priorities – Policy Transfer and Diffusion leading to δ -Convergence?	405
6.	Final conclusions: Guiding Assumptions and Theses Re-visited	413
6.1	The EES’s Europeanisation Impact on the UK and Germany – ‘Get Together’ or ‘Mind the Gap’?	413
6.1.1	Europeanisation of British and German Policy Co-ordination Structures and the Supranational EES-PCN: Interactions Becoming an Integrated Approach?	413
6.1.1.1	The National Level: Domestic Institutional Paths and Interactions Running into the EES-PCN – Europeanisation Leading to Institutional Isomorphism?	413
6.1.1.2	The Impact of the EES on European Multilevel Policy Network Structures: A Lock, Stock, and Barrel New Performance or New Lyrics in Old Sceneries?	421
6.1.2	British and German Employment Policies under the EES: Proximity and Rapprochement to its ‘Policy ID’ – Converging Trends, Remaining Differences	429
6.2	The Europeanisation Approach, the EES, and the OMC: Theoretico-Analytical Mission Accomplished?	438
6.2.1	The EES, the OMC, and Europeanisation: Impact without Analytical Grounds or a Case of ‘Phantom’ Adaptation Pressure?	439
6.2.2	Explanative Benefits and the Need to Broaden the Analytical View in order to Explain Domestic Change and Persistence	441
7.	Annex	444
8.	References	449
8.1	Interviews	449
8.2	Sources	449
8.3	Literature	458