

Experts versus politicians

On the influence of government ideology on the
European Strategy for Growth and Jobs



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Abstract

This study examines the role of partisanship in the effectiveness of the European Strategy for Growth and Jobs (ESGJ). As a soft governance approach, the ESGJ aims to disseminate best practices on labour market policy across EU member states. Two competing approaches can be distinguished on the effectiveness of the ESGJ. The policy learning view, as the underlying philosophy of the ESGJ, holds that national governments can learn new and better policy practices and implement these in the domestic context through interaction with alternative ideas. Conversely, according to the partisan approach, governments choose only the components of the ESGJ fitting the ideologically motivated strategies of the political parties in government. In this thesis, I analyse the labour market policies of Denmark, the Netherlands and Sweden in two different years to trace the effects of the ESGJ in different political environments. The study reveals that the governments of these countries do not give equal attention to all recommendations and guidelines but engage in cherry-picking. Governments address in particular those recommendations and guidelines that fit within the ideological preferences of the incumbent parties. However, given the fact that government coalitions alternate regularly and it is hard to reverse implemented policies, it is expected that in the long run the ESGJ affects the direction of domestic labour market policy.

Table of Contents

1 Introduction	4
1.1 The ESGJ procedure.....	6
2 State of the art	9
2.1 The policy learning approach.....	9
2.2 The partisanship approach.....	12
2.3 Alternative explanations.....	14
3 Theoretical framework	16
4 Research design.....	21
4.1 The choice of policy field.....	21
4.2 Selection of countries	22
4.3 Time frame and data sources.....	25
5 Denmark	28
5.1 The Danish policies in 2004.....	28
5.2 The Danish policies in 2008.....	29
5.3 A comparison of the policies in 2004 and 2008.....	31
6 The Netherlands	32
6.1 The Dutch policies in 2004	32
6.2 The Dutch policies in 2008	34
6.3 The effect of the government shift	36
7 Sweden	38
7.1 The Swedish policies in 2004.....	38
7.2 The Swedish policies in 2008.....	40
7.3 The effect of the government shift	42
8 Conclusion.....	43
References	48

1 Introduction

Europe is widely considered to have been much more successful in promoting an open market than in promoting social security. According to Scharpf (2002) a ‘European Social Model’ cannot be achieved due to the diversity in wealth, institutional structure and normative aspirations between the member states. Besides, Europe has been doing relatively poorly in terms of labour market participation in the 1990s (OECD 1994). On top of this, the increasing unpopularity of the European project has hindered it from expanding its competencies further (Tholoniati 2010: 96). This is shown for example by the initial rejection in referenda of the Maastricht Treaty (by the Danes), the Nice Treaty (by the Irish), the Constitutional Treaty (by the French and the Dutch) and the Lisbon Treaty (by the Irish).

As politicians in Europe concluded that a top-down approach is not feasible for combating unemployment, they created the European Employment Strategy (EES) in 1997. In 2000, inspired by the EES, the Open Method of Coordination (OMC) was launched. This soft governance approach aims to deal with politically sensitive policy fields involving the redistribution of resources in society such as labour market policy. The OMC is driven by the policy learning philosophy that by using common objectives, (peer-)review and deliberation on policy effectiveness, ‘best practices’ can be identified and disseminated among the member states. The European Commission as an ‘expert’ institution provides the recommendations, subject to approval by the Council of the European Union, on how member states can achieve the common objectives that should foster policy learning.

In this paper, I assess the effectiveness of this soft governance approach for steering the labour market policy of the EU member states. The focus is on political factors that may influence policy learning in the ESGJ framework. The research question is:

Does the ideological stance of EU member states’ governments affect the direction and degree of policy learning in the ESGJ framework?

The OMC is a ‘soft’ approach which means that the recommendations and guidelines are not binding and no sanctions occur when a member state fails to meet the objectives. Member states choose their own strategy for achieving the OMC goals. The softness of the OMC makes it particularly suitable for policy areas in which a binding top-down approach is not possible or desirable, for example due to political sensitivities or large differences between countries. Labour market policy is a typical example of such a policy domain.

Two competing views can be distinguished on the effectiveness of the OMC. According to the policy learning approach, which reflects the underlying philosophy of the OMC, governments ‘learn’ what policies produce the best outcome through the interaction with officials from the Council and the Commission and from other countries that have experience with these policies (Trubek and Trubek 2005: 356-61). In contrast, according to the partisanship approach, government parties are organizations with ideological values that guide their orientation towards new issues (Marks and Wilson 2000: 434). Hence, governments only pick the policies which fit the ideological stance of the government parties.

In this thesis, the policy learning approach and the partisanship approach are tested on the basis of the employment pillar of the OMC, the European Employment Strategy (EES) which was renamed the European Strategy for Growth and Jobs (ESGJ) in 2005 (European Commission 2005a). The ESGJ is the oldest and most developed OMC process (Heidenreich and Bischoff 2008: 499; Tholoniati 2010: 95-6). The ESGJ guidelines are the product of political deliberation between member states and the Commission in the time period preceding the launch of the EES (Trubek and Mosher 2001: 8). In the procedure, the Commission provides recommendations to member states on how to meet the guidelines. Member states can freely choose which policy path they use to meet the guidelines; this freedom serves the large institutional and contextual variation between member states. The underlying idea is that in the process countries benefit from the knowledge and the experience of other countries in reaching those guidelines.

My central hypothesis is that the pathways to meeting the recommendations and guidelines of the ESGJ are determined by the ideological background of the government. For example, flexicurity is seen as a key strategy to reach the ESGJ main goal of creating more and better jobs (Viebrock and Clasen 2009; European Commission on Employment, Social Affairs and Equal Opportunity 2009a). The concept combines both flexibility and security in the labour market. According to the Commission, flexicurity is the means for boosting economic competitiveness while preserving job security for the European citizens (Alphametrics 2009). However, flexibility in the labour market is generally a right-wing issue, whereas job security for employees is a priority of left-wing parties. In the political spheres of the EU member states, I expect a government of a right-wing signature to stress the need for flexibility in order to fulfil the ESGJ’s guidelines. Conversely, a left-wing government is expected to use the flexicurity argument to protect or strengthen workers’ compensation for job loss (i.e. emphasize job or income security).

This study tests two competing perspectives regarding the effects of political ideology on policy learning. According to the policy learning approach, ideology is irrelevant because member states are able to ‘learn’ which policies are most effective and will implement these policies irrespective of the political background of the government. Conversely, in the partisanship approach, member states’ governments are motivated to pursue policies fitting their ideological background. According to this view, policy making does not come from rational scientific thinking, but from the ideological views of political parties on society. The relevance of this study lies in testing which of these two approaches explains best the degree of policy learning which has occurred in the context of the ESGJ. Moreover, this study provides new insights into the nature of policy making. Are policies the result of expert knowledge and are policies improved when the knowledge pool is expanded? Or do new scientific insights remain secondary to the ideological convictions of the political parties?

The structure of this paper is as follows. In the remainder of the introduction, I elaborate on the procedures of the ESGJ that are relevant for this study. Second, the state of the art considers the opposing approaches on the effectiveness of the ESGJ and alternative theories. Third, in the theoretical framework the theories from the state of the art are applied to the ESGJ framework and hypotheses are constructed for each of the theories. Fourth, I present the research design, including the selection of countries and years and the relevant data sources. Fifth, case studies on three countries are conducted and the findings are reported in separate chapters. Finally, the conclusion links the findings back to the theoretical framework and the research question. Additionally, I discuss some limitations of this research and provide suggestions for future research.

1.1 The ESGJ procedure

The European Strategy for Growth and Jobs (ESGJ, known as the European Employment Strategy EES before 2005) emerged in the early 1990s when the employment performance of many EU member states was deteriorating in the face of increasing worldwide economic competition. For fear that the single market would create unfair competition between the old (Western Europe and Northern Europe) and the new (Mediterranean and Eastern Europe) member states and would put a downward pressure on the generosity of the welfare state, some new measures were taken in the social field (Tholoniati 2010: 96). The aim of the ESGJ, as a non-binding governance approach, is to influence national decision making in the social and employment field (Heidenreich and Bischoff 2008) by making explicit what goals are to be achieved and providing instruments for achieving them. The underlying philosophy of the

ESGJ is that member states' goals and strategies are not fixed but may adapt when repeatedly interacting with external parties that offer better alternatives. In other words, countries are expected to internalise policy ideals by the repetitive review system of the ESGJ. The start of the European Employment Strategy (EES) in 1997 as a precursor to the OMC processes was the initiative of the Commission and the Council.

One important steering institution within the ESGJ procedure is the European Commission; it proposes strategies for achieving the targets, checks the national strategies and progress, indicates the best performing member states and makes recommendations for improvement. The employment guidelines of the ESGJ are aimed at achieving the overarching objectives of “full employment, improving quality and productivity at work, and strengthening social cohesion and inclusion” (Trubek and Trubek 2005: 349). National progress towards the guidelines is monitored by the Council of the European Union (often referred to as ‘the Council’) and the European Commission using quantitative and qualitative indicators. The guidelines are:

17. Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.
 18. Promote a life-cycle approach to work.
 19. Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive.
 20. Improve matching of labour market needs.
 21. Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners.
 22. Ensure employment-friendly labour cost developments and wage-setting mechanisms.
 23. Expand and improve investment in human capital.
 24. Adapt education and training systems in response to new competence requirements.
- (European Commission 2005b)

Each year, member states report on their achievements regarding the guidelines, the so-called national action plans (NAPs, prior to 2005) or national reform plans (NRPs, from 2005 onwards) that are evaluated by the Commission, which subsequently makes recommendations for improvement. The Council decides, on the basis of qualified majority voting, whether the recommendations made by the Commission are accepted or rejected (Mosher and Trubek 2003: 68). The Employment Committee (EMCO), which consists of representatives of the

member states, monitors the employment situation of the member states and advises the members of the Council on adopting recommendations from the Commission (European Union 2006: 102; European Commission on Employment, Social Affairs and Equal Opportunity 2009b; Mosher and Trubek 2003: 69).

This study examines whether and to what extent national governments take up these recommendations and guidelines and whether and how government partisanship affects policy learning within the ESGJ framework. I discuss the main theories on the effectiveness of the ESGJ in the next chapter.

2 State of the art

The emergence of the OMC has sparked an immense scholarly debate on the effectiveness of this form of governance. The debate concentrates on the question whether soft-law instruments such as the OMC are effective in achieving their targets (Heidenreich and Zeitlin 2009). Two main theoretical streams can be identified with competing views on the effectiveness of this soft governance method. The policy learning approach argues that the OMC can successfully make member state governments learn new policy ideas and adapt their policy views. In this way domestic policy practices can be changed. Conversely, according to partisanship scholars, policy is the product of domestic political bargaining between ideologically motivated political parties and therefore the OMC cannot teach governments anything if it does not fit the ideological background of the government.

2.1 The policy learning approach

The policy learning approach is a theory of policy making which holds that policy ideas are inspired by the consequences of existing policies and the lessons policy makers learn from them (Hall 1993: 277-8). It holds that policy making is an elitist process, the task of policy technocrats who are in continuous interaction with experts, such as academia or policy makers abroad who have addressed similar issues. Policy makers are seen as rational actors, pursuing the achievement of certain goals as effectively as possible. In this view, the content of policy is not the result of political ideology but of expertise. Policy learning is a process in which deliberate change of policy ideas and practices occurs in reaction to an expanded information pool (Hartlapp 2009: 3). Lesson-drawing is the process in which information is gathered on why policies have succeeded or failed elsewhere (Rose 2005: 117). Policy learning is also the result of one's own experience with policy (Hartlapp 2009: 3). New information resulting from one's own or other's experience leads to a modification of behaviour or preferences among policy makers (Hartlapp 2009: 2). First, I elaborate on this approach further and then I discuss the most common criticisms against this approach.

In the ESGJ, the conviction is that by setting indicators, periodic reporting, peer-review and recommendations, member states are enabled to reflect on existing policy practices and identify which ones are most successful in achieving their targets. According to Tholoniati (2010: 94) the OMC has built “an institutional, administrative and knowledge infrastructure that allows the EU to deal with socio-economic matters long associated with national sovereignty”. According to this view, member states do not participate in the OMC

for instrumental reasons, but to be part of a club of states that actively pursue common objectives which in the end will contribute to the competitiveness of the European Union as a whole. Through interaction, an increasing knowledge pool and the use of new policy concepts, domestic policy discourses are affected (Vanhercke 2009; Weishaupt 2009). In the policy learning approach national governments are able to adapt policy preferences if they are provided with alternative and better policy practices for existing problems, despite having an ideological profile. The sense of a common purpose among member states prevails over the specific (ideological) interests of the national governments.

Trubek and Trubek (2005: 356-61) identify six mechanisms through which OMC processes may affect national policies. Three of these mechanisms operate in a top-down manner: shaming, discourse and policy networks. Shaming is effective through the transparency of the national action plans (NAPs) and the national reform plans (NRPs). This mechanism works through the comparison of the performance of individual member states, allowing the detection of poor performance among these member states by making it visible to the other member states, the institutions of the European Union and the public at large. The second mechanism is discourse; the Commission can form a policy discourse by introducing new concepts related to policy or by rephrasing older ones. The OMC discourse may affect the national policy discourses and may shift the focus to new policy solutions for existing problems or even prioritize new problems. Concepts introduced by the OMC are, for example, employability, adaptability, flexibility and active welfare (Jacobsson 2004). The third mechanism is creating policy networks of government officials and social partners that collaborate to produce the NAPs and NRPs, a mechanism further stimulating the diffusion of policy ideas. The OMC also allows national actors to get in contact with transnational actors like the Council of the European Union, the Employment Committee and the European Commission (Trubek and Trubek 2005: 358).

While the three mechanisms described above are mostly of a top-down character, the mechanisms of experimentation, deliberation and learning operate bottom-up. Experimentation is possible whenever member states get in touch with new policy ideas and test alternative policy options within their national environment. Deliberation allows governments of member states to convince others of the advantages of their strategies, which forces these governments to identify the strong and weak points of their policies. In the sixth mechanism of learning, governments get access to more knowledge regarding policies and incorporate it in their policies.

Authors adopting a policy learning perspective generally find evidence through in depth case studies of domestic policy making. Vanhercke (2009) uses Kingdon's (1995) model in which policy change occurs when perceived problems, politics and policies are coupled. According to Vanhercke (2009: 4-5, 10), the pension OMC, through inter-country comparison and feedback, has served to frame certain developments in Belgian pension policy as 'problematic'. The soft governance method influences the domestic policies by bringing these 'problems' in which Belgium has a poor performance to the attention of policy makers. Pro-reform actors use this knowledge and the recommendations from the European Commission to legitimize long held reforms plans. For example, when the minimum pensions of independent workers in Belgium were described as below the European risk-of-poverty line, there was no opposition anymore against reform.

A second empirical investigation of the effectiveness of the OMC by Weishaupt (2009: 5, 7) shows how the EES has fostered change in the response to structural unemployment in Austria and Ireland. Financial resources were available for both countries through the European Social Fund that could be used to pursue active labour market policies, like training to upgrade the education of their labour forces. In the case of Austria, the EES provided legitimacy to national policy makers for pursuing activation policies as they "have become the guiding framework" for national policy makers and were translated in Austria's first NAP (Weishaupt 2009: 5). Ireland, as a direct response to the EES guidelines, has launched a new strategy for the unemployed below the age of 25 in 1998 (Weishaupt 2009: 7). This strategy included a more stringent job search requirement and an individual activation approach after six months of unemployment. In both empirical examples from the literature the OMC is used by pro-reform policy makers to pursue contested policies.

There are several issues with the policy learning approach in the OMC that lead scholars to consider alternative theories. Sceptics of the OMC often refer to the soft type of governance to argue for its ineffectiveness. In the OMC, the Council and the Commission can only give advice without any possibility for legal enforcement. This non-binding character of the OMC leaves member states with no incentives to adjust existing policies. It is believed that only hard law instruments, like the Community Method, can foster change in domestic practices (Trubek and Trubek 2005: 359).

Still, according to Trubek and Trubek (2005: 356-63), the distinction between hard and soft law is not as profound as many may believe. In recent years, member states have acquired more flexibility and discretion in interpreting and implementing European directives under the Community method, which blurs the boundaries between hard and soft law (Trubek

and Trubek 2005: 361). Nevertheless, this does not alter the belief among the sceptics of the OMC that the possibility of legal sanctions is necessary to foster policy change. According to them, when the European and the national interests diverge, the national governments have no incentive to follow the European interests unless they are forced to do so.

Another criticism of the OMC is that there are domestic determinants of policy present in the political system hindering the implementation of the ESGJ recommendations and guidelines. National policy making is path-dependent, meaning that its development and dynamic is constrained by national history, the level of economic development, culture and institutions (Pierson 1993; Scharpf 2002: 649-52; Büchs 2009: 4-6). This diversity impedes uniform decision making at the European level (Scharpf 2002: 649-52). Furthermore, the success of policies depends on their interaction with contextual factors, like the existing labour market regulations (Zirra and Buchkremer 2007: 64). Moreover, institutional inertia (Zirra and Buchkremer 2007) caused for example by veto players (Tsebelis 1995; Tsebelis 1999), such as the use of referenda or an effective upper house, may hinder the implementation of new policy ideas. According to these more institutionalist perspectives, policy learning, if it takes place, is limited to policy technocrats and members of epistemic communities (Zirra and Buchkremer 2007: 66-7).

The empirical study of Büchs (2009) shows that the OMC did not have the intended outcome. Two of the main goals of the employment EES and the ESGJ are to boost re-employment through active labour market policies and to fight social inequality and poverty. However, in the 1990s and 2000s, spending on activation measures went down and social inequality and poverty went up (Büchs 2009: 11). These developments lend support to the thesis that the OMC did not change the policy course of the EU member states (Büchs 2009: 12). However, it should be noted that even though the outcomes are not in line with what one would have expected based on the goals of the OMC, the findings do not necessarily mean that the member states are not committed to the ESGJ recommendations and guidelines. External constraints, for example an economic downturn, might have led to these outcomes.

2.2 The partisanship approach

One of the main alternatives of the policy learning approach is the view that government parties' ideologies, rather than international influences, steer public policy (Müller and Strøm 1999: 7). Policy learning in the OMC can be obstructed because the government parties are committed to implement politically motivated policies. This has been labelled the partisanship approach. In this section, I first discuss the definition of a political party in the academic

literature, then consider the competition between parties and finally apply the partisanship approach to the ESGJ.

In society, political parties are organizations serving as channels through which voters cast their preferences (Müller and Strøm 1999: 3-4). Parties act as ‘representatives’ of certain constituencies of which they protect the interests in the political arena. The required popular support constrains political parties’ choices in office. The goals and priorities of parties are determined by a historically rooted ideological background (Marks and Wilson 2000: 434). The most commonly used tool to distinguish between parties’ policy goals is through the left-right political spectrum (Hooghe *et al.* 2002: 966; Castles and Mair 1984; Hibbs 1977: 1471). On the left, one finds parties that prioritize full employment and political control of markets, whereas on the right the economic theory of liberalism is pursued, stressing the need for low inflation and a healthy government budget. This relationship has also been empirically backed up in the field of welfare state retrenchment by Korpi and Palme (2003) and Allan and Scruggs (2004).

In this study, I focus on the influence of parties in office and their ideological background on the effectiveness of the ESGJ. Parties compete and bargain with each other in the pursuit of votes, policy and office (Strøm 1990: 572). Given that election campaigns tend to take at the very most a few months while a full government term is generally four or five years, elections appear far in the future most of the time. Therefore it is to be expected that policy-seeking takes centre stage. Office-seeking and vote-seeking behaviour are more likely to occur when the elections are near. Moreover, the policy-seeking behaviour of political parties is most interesting for analysing the effectiveness of the ESGJ. The goal of the ESGJ is to steer policy making and policy-seeking political parties may affect this process.

The ideological vision of parties is expected to have an impact on how they respond to policy ideas stemming from the ESGJ. Due to their ideological baggage, parties are expected to implement policy ideas in particular when they fit their ideology. Policy ideas that do not fit the political background of the government will not be implemented even if they are found to be effective elsewhere. The content of domestic policy is the result of negotiations between government parties pursuing the maximization of their political influence. According to Tholoniati (2010: 110), when interacting with the European level, partisan governments may even try to export their politically motivated views in fields where EU competences become more dominant. In other words, instead of being open to new policy ideas, governments try to convince others of the superiority of their own practices.

Empirical support for the thesis that existing ideology affects policy learning comes from the dynamics within OMC committees. In a case study of the Employment Committee (EMCO) and the Social Protection Committee (EPC), Nedergaard (2009: 653) found that informal coalitions exist among countries with similar socio-economic policies. These committee members from similar member states cooperate to achieve the adoption of recommendations fitting the domestic policy strategies of the member states they are representing. Coalitions form between members representing the Nordic model, the Central European model, the Southern European model, the Anglo-Saxon model and the Eastern European model (Nedergaard 2009: 657). The representatives of the member states are motivated to reach the acceptance of 'their' existing policies, not to learn alternative policy options.

In the same vein, Armingeon (2007: 909) argues that decisions at the EU level are guided by national political convictions. The representatives in the committee work under the responsibility of the national government so it is to be expected that their positions to some extent represent the ideologies of the government parties. Moreover, since Nedergaard found that these representatives are committed to the socio-economic model of their country, it can be said that they at the very least represent the long-term mean ideology in that country. The findings of the article underline the thesis that government' ideology determines policy making and that new ideas are not incorporated unless they fit the ideology of the government parties.

2.3 Alternative explanations

A third possible scenario would be that governments pursue interests not in line with their party programmes, but in line with national interests (the 'laboratory federalism' approach of Kerber and Eckardt 2007). In such an approach, the constituent units of a federal or supranational system compete for the best policy practices. It seems unlikely that this approach can be fruitfully applied to the ESGJ and therefore I will not consider it in this paper. The reason for this is the inability to differentiate between national and European interests in pursuing effective labour market policy. The stated goal of European Union policy as phrased by the European Council (2000) is that the European Union should become "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion" by 2010. If national interests are mainly achieved by boosting the competitiveness of the national economy, this European interest is expected to be served as well. In this view, the interests of the member

states and Europe coincide. Moreover, the ESGJ has a non-binding character and allows member states to achieve the ESGJ objectives through their own policy path. This implies that there is no conflict regarding sovereignty in the ESGJ procedure. Due to these considerations, the conclusion is drawn that European interests with regard to the ESGJ need not clash with national interests and governments pursuing 'national interests' need not deviate from the policy learning approach.

Authors such as Pierson (1996) argue that many policies in the social field, and in particular the retrenchment of welfare state programmes, are so widely unpopular that even many right-wing parties fear electoral backlash when engaging in them. The result is policy incrementalism (1993); policy output is mainly the product of past policies, because (radical) policy change is politically risky and financially costly. Cutting social security benefits, if possible, depends more on the ability of government parties to avoid the blame than that it depends on ideology of the government parties (Pierson 1996: 145). For this reason, it is easier for left-wing parties to cut benefits because their voters will trust that the government had no choice other than to do so, the so-called 'Nixon goes to China'-logic (Green-Pedersen 2002: 39). In this view the partisan background of the government matters, but in a different way than the partisan thesis would predict. It is expected that neither policy learning nor partisanship at least in the traditional way has an effect (and no clash between the two occurs) and therefore this alternative path is not considered in this paper. However, if neither policy learning nor partisanship is confirmed by the findings it may still be useful to keep this approach in mind for the conclusion of this thesis.

3 Theoretical framework

As has been illustrated in the state of the art, two camps can be distinguished in the debate. These theories predict different outcomes on the effectiveness of soft governance. In this section, I develop and apply both theories to the ESGJ and formulate hypotheses. After this, the operationalization of the dependent variable is described.

Several assumptions are made in the policy learning approach regarding member state responses to recommendations from the Council of the European Union and the European Commission. The most crucial assumption is that the preferences of member states governments are able to change as governments are open to new policy ideas in an international setting (Hartlapp 2009: 2-3; Jacobsson 2004). Moreover, participating in the ESGJ is not regarded as an instrument by member states, but it is a goal in itself to be part of a community of nations pursuing policy improvement. In the light of the ESGJ, one would expect states to conform, and thus improve, their employment performance and commit to adapt their policies in accordance with the views of the Council and the Commission.

According to the partisanship approach, parties as entities pursue political influence in policy making. Parties are political organizations motivated to gain power in order to influence policies on the basis of their given values, norms, conviction and world view (Marks and Wilson 2000: 434). The institutional arrangements of the ESGJ can provide governments with the discursive justification to implement policies that fit their political interests. They can use the policy framework in the ESGJ as an instrument to argue for the superiority of their policies and at the same time ignore recommendations not in line with their preferred practices, for example by arguing that the recommended practices do not fit their economical or institutional context. By the selective use of recommendations and guidelines within the ESGJ framework, governments can effectively choose the policies that fit their political preferences and possibly even use the ESGJ to overcome domestic resistance.

The policy learning and the partisanship approaches provide contrasting expectations on the effectiveness of the ESGJ as a policy learning instrument. If the policy learning approach would apply the ESGJ, policy making is a technocratic endeavour not influenced by the political game and the national use of recommendations and guidelines of the ESGJ would be universal rather than selective. Conversely, according to the partisanship approach, policy is the product of bargaining between ideologically motivated parties, each trying to maximize its policy influence and in this way affecting policy learning in the ESGJ framework. The

research question is whether the ideological stance of EU member states' governments affects the direction and degree of policy learning in the ESGJ framework.

I regard policy change as learning when the government takes over recommendations and guidelines of the Council that do not fit with or even contradicts the government parties' ideology. Hypotheses A_0 and B_0 derive from the policy learning perspective, whereas A_1 and B_1 represent the partisanship approach. The hypotheses A_0 and A_1 are expectations on cross-sectional variation:

A_0 Left-wing and right-wing governments are equally committed to the ESGJ recommendations and guidelines regardless of their policy content.

A_1 Left-wing governments are more committed to the recommendations and guidelines focussing on left-wing policies. Similarly, right-wing governments are more committed to the recommendations and guidelines focusing on right-wing policies.

The following hypotheses B_0 and B_1 are longitudinal in nature and deal with the impact of government change:

B_0 Commitment to the recommendations and guidelines is not affected by changes in the government composition. Policy learning is a gradual process and is not affected by the ideological stance of the government parties.

B_1 Whenever government change occurs, this affects the recommendations and guidelines the government is committed to. A shift from right-wing to left-wing ideology will change government commitment from right-wing to left-wing recommendations and guidelines and vice versa.

Obviously, to be able to test these hypotheses, left-wing and right-wing elements present in the ESGJ recommendations and guidelines must be operationalized. Left-wing ideology favours full employment and political control of markets, whereas right-wing ideology advocates low inflation and fiscal sustainability (Hibbs 1977: 1471). Table 1 matches the various ESGJ guidelines to specific ideological orientations. Left-wing governments consider income protection and income equality as a fundamental goal. Since they pursue full employment, they prefer active labour market policies. Right-wing parties will curtail

government spending as much as possible, by decreasing spending on social security. Moreover, they are motivated to increase economic growth, to curb inflation by constraining taxes and wage increases and to promote a flexible labour market. Education in general has been left out of the table because it may be viewed as an investment rather than a cost, since it is expected that money spent on it will be reclaimed in the future when the educated people contribute more to the economy and the government budget. This makes it hard to classify as either left-wing or right-wing.

Table 1: Concrete policies (left-wing or right-wing) fitting the ESGJ guidelines.

Ideology	Policy	Guidelines
Rightist	Employer tax cuts	17
Rightist	Employee tax cuts	19
Rightist	More flexible labour market	17, 21
Rightist	Control wage development	17, 22
Leftist	Subsidize (child)care	19
Leftist	Re-integration	17, 18
Leftist	Job training/activation	18, 20, 21, 23
Leftist	Direct job creation and relocation	17, 23, 24
Leftist	Positive discrimination	18, 19
Leftist	Increase job security	17, 21

In this research, policy is analysed based on the left-right spectrum, even though public policy can subsume other ideological dimensions as well. A common additional dimension is the GAL-TAN dimension (green/alternative/libertarian is related with progressive viewpoints, while traditional/authoritarian/nationalist is related with conservatism) of public policy (Marks *et al.* 2006: 157). As concerns labour market policy, one could argue that TAN parties protect the financial interests of families rather than individuals. This involves more support for the income and/or job security of one-income households, but less commitment to increase the labour participation of women by, for example, investing in childcare. Conversely, a GAL government would strive to achieve a high participation rate by investing in childcare and abolishing tax measures that discourage the participation of women in the labour market. For clarity sake, it is preferable to work with one ideological dimension only. I have chosen to focus exclusively on the left-right dimension, because in general it is easier to distinguish left-wing and right-wing policies when it comes to the labour market. Moreover, there are no theoretical grounds to expect that the results would be different if this research would focus on other dimensions such as GAL-TAN.

Commitment to specific policies is operationalized using several categories (see table 2) based on whether the governments mentions the problem and how concrete and extensive the policy response is. A score is given for each country in each year, for each recommendation and the most relevant guidelines ranging from 0 (no commitment) to 6 (maximum commitment).

Table 2: The operationalization of commitment.

score	description	example
0	not mentioned	
1	mentioned, but no plans are presented	youth unemployment is a serious problem
2	plans to implement are vague	we are looking into ways to address youth unemployment
3	implementation is deferred to others	we will consult with the social partners to come up with a plan to combat youth unemployment
4	concrete plan to address the issue	we will provide additional education for young unemployed
5	fully developed plan with deadline	we allocated 50 M€ to educate 50,000 young unemployed before the end of 2012
6	already working on the issue	last year we spent 50 M€ to educate 50,000 young unemployed before the end of 2012

Note that a high commitment to the recommendations and the guidelines does not necessarily imply policy learning. Score 6 is assigned for policies from which it is clear that the government is committed to them irrespective of the recommendations and guidelines of the ESGJ. This condition is met when the policy fits the government ideology, but also when the policies were already adopted regardless of the recommendations.

Even though the theory is tested on the basis of only Denmark, the Netherlands and Sweden (I will justify this case selection in my research design below), the findings are still theoretically generalizable. Although each of these countries is highly affluent and has an extensive welfare state (to make them comparable cases), the theoretical foundations do not rely on these properties. In particular, political convictions in other member states are also based on the left-right spectrum. The findings of this research are therefore an indication to what extent these convictions matter when it comes to internalising new policy ideas of the ESGJ framework.

The empirical analysis is subject to an empirical limitation, which is that I focus on policy output that is not the same as policy outcome (Zohlnhöfer 2003: 126). Outcomes of policy are the result of policy output after interaction with contextual factors and may thus

deviate from the intentions underlying policy output. The effects of the ESGJ policy prescriptions or the partisan composition of government may not directly be visible in policy outcomes, which also means that studying outcomes would pose more challenges than studying output.

4 Research design

To analyse whether governments' views on policy have changed over the years, an approach is taken based on process tracing (Gerring 2007: 173). Process tracing is a method in which different forms of evidence are used and put together to prove a single relationship. By making the temporal order of events clear, a causal relationship can be identified if it is present. The reason for using this methodology is the fact that this is a many variables-few cases situation which cannot be addressed by quantitative approaches. The variables in this case are the policy responses to the many recommendations and guidelines. In contrast to quantitative methods, process tracing is highly suitable even for many variables that cannot be properly reduced in a few since the researcher can consider the entirety of the situation. Moreover, process tracing allows me to determine who is really responsible for the policies adopted. This is difficult with quantitative methods, because it may take many years before policies start to influence the aggregate measures that are commonly used in quantitative research. As a consequence, it becomes very hard to distinguish the influence of one government from that of the next.

4.1 The choice of policy field

The choice for analysing policy learning within the ESGJ has several advantages. The ESGJ is about labour market policy, which in general is a political issue dividing left-wing and right-wing parties. Therefore one can easily recognize ideological motivations behind policy decisions in this area. Labour market policy is a sensitive policy field, which governments are hesitant to hand over to international organizations. If one observes policy diffusion of policies that contradict government ideology then it is reasonably safe to assume that policy learning is taking place that would not have occurred if partisanship would be strong.

The ESGJ is also suitable to study, because it is the oldest and most developed OMC (Heidenreich and Bischoff 2008: 499; Tholoniati 2010: 95-6). The employment committee (EMCO), which supports the Council in this area, is well-known and has the most developed procedure for reporting on the member states and on recommendations from the Commission (Nedergaard 2009: 659). Guidelines of the ESGJ have been adjusted and the monitoring and reviewing mechanisms have been reviewed most often of all OMC procedures. The other OMC processes have been modelled after the ESGJ (Tholoniati 2010: 95-6). Finally, the number of times member states have provided a NAP or a NRP is the highest for the ESGJ.

This is important because learning takes a long time and becomes more likely after repetition over years.

The process of the ESGJ involves many documents, including the general guidelines, the country-specific recommendations, the countries' policy responses to those guidelines and recommendations and several documents evaluating the strategy as such. In this research, I focus especially on the recommendations and the countries' policy responses. An initial investigation of all the documents involved strongly suggests that recommendations are taken more seriously than guidelines. The national responses often contain very direct measures to one or more of the recommendations, whereas it is often more difficult to relate national responses to the guidelines. If guidelines for which there are no explicit recommendations are adhered to, the policies were generally already there before the guidelines were introduced.

The focus on recommendations rather than guidelines has also methodological advantages. It may be the case that governments want to please the Council of the European Union and the European Commission by specifically elaborating on their concrete proposals, to give an impression that the problems that were found are being addressed. This would support the mechanisms on which policy learning is based and therefore is important in order to be able to reach a strong conclusion. Another possibility is that, because the recommendations ought to be related to the guidelines, there are no specific problems to address on the guidelines that did not give rise to recommendations because the country is already doing well. In this case, the guidelines without recommendations have little relevance. Although I focus in particular on the recommendations in this research, I also discuss the guidelines whenever there is both high commitment on the guideline and theoretical relevance given the kind of policy; for example a right-wing government implementing a left-wing guideline has more theoretical meaning than the same government implementing a right-wing guideline.

4.2 Selection of countries

This research follows a quasi-experimental design (see table 3) in which two countries experiencing a change in government ideology are compared to a country which has a constant government ideology. Denmark, the Netherlands and Sweden are selected because they are similar on socio-economic factors (see table 4) but display variation on government ideology in the time period under investigation (see table 5). They are three relatively small countries, open in terms of foreign trade, highly affluent and with extensive welfare systems. Moreover, they are close to the OECD average in unemployment and labour activism, while

their economic growth has been slightly on the low side in the last two decades. Additionally, these countries are considered similar in the welfare state literature. The Scandinavian countries are commonly regarded as highly similar (see for example Esping-Andersen 1990). According to Green-Pedersen (2002: 43-9), the Netherlands and Denmark are similar cases, suitable for comparison in welfare state research. In the next sections, the labour markets and the political situation in these three European member states are described.

The Danish model is based on the flexicurity principle that contains occupational and territorial mobility, low employment protection, high unemployment benefits and ambitious active labour market policies (Viebrock and Clasen 2009: 313). The ease with which employers can hire and fire employees is said to stimulate job growth and in this way decreases the level of unemployment. Since 2001, the Danish governing coalition has consisted of the liberal party 'Venstre' and the conservative party 'Konservative'; both parties are economically right-wing (Hooghe *et al.* 2010). Denmark serves as a control case due to the fact that Denmark did not experience a change in government composition in the period under study.

In the Netherlands, regular employees are granted extensive legal and financial protection against dismissal (Viebrock and Clasen 2009: 315), which is said to reduce the flexibility of the labour market. Employers are often afraid to hire new personnel on regular contracts due to the risk of the employee becoming ill or redundant and in this way turning into a financial burden for the enterprise. Moreover, in the Netherlands there is less emphasis on activation compared to Denmark (Viebrock and Clasen 2009: 315). Still, the Dutch labour market is regarded as flexible, because of the many possibilities it provides for doing part-time work (Viebrock and Clasen 2009: 314-5). In the Netherlands, a 'pivot' system of party competition (Green-Pedersen 2002: 15) exists in which the centre-right Christian democratic party CDA is often in the position to choose whether to rule with the left-wing party PvdA or the right-wing party VVD. Centre-right governments have ruled the Netherlands for the years between 2002 and 2007. However, in 2007 the left-wing PvdA formed the Dutch coalition together with the centre parties CDA and CU (party positions taken from Hooghe *et al.* 2010).

Sweden has one of the most extensive welfare states, with many generous and universal benefits and extensive coverage against social risks (Viebrock and Clasen 2009: 325; OECD 2010). Traditionally, Sweden has invested in activation measures in order to achieve full employment. According to the Council of the European Union (2003: 29), the problem of the Swedish labour market is that disadvantaged groups, for example the older unemployed, barely have the incentives to seek work. Due to the high tax burden on labour

combined with a generous social system, paid work is often not more profitable than receiving (unemployment) benefits. Sweden, a prototype of a social democratic welfare state, has experienced a shift from a left-wing to a centre-right government in 2006. Until 2006, the social democratic party SAP ruled the country in a single-party minority government. This government was supported by the socialist party V and the green party MP, which are even further to the left (Hooghe *et al.* 2010). In 2006, a new four-party coalition of the Centre Party (C), Liberal People's Party (FP), the Christian Democrats (KD) and the Moderates (M) was formed. This is considered a centre-right coalition since Hooghe *et al.* (2010) places the Centre Party near the middle of the political spectrum (only slightly to the right), the Moderates clearly on the right and the other parties in between (see table 5).

Table 3: The quasi-experimental design of this research.

	Year	Description	Experimental group		Reference group
			Netherlands	Sweden	Denmark
Pre-test	2004	Compare NAP 2004 with guidelines and recommendations 2003	[to be measured]	[to be measured]	[to be measured]
Experiment		Power shift to a government with different ideological composition	R -> L	L -> R	(none)
Post-test	2008	Compare NRP 2008 with guidelines and recommendations 2007	[to be measured]	[to be measured]	[to be measured]

Table 4: A comparison of Denmark, the Netherlands and Sweden on key variables averaged over the years 1985-2003; to compare with other OECD members, the symbols indicate the z-scores: (-) means $-1.5 \leq z < -0.5$; (o) means $-0.5 \leq z < 0.5$; (+) means $0.5 \leq z < 1.5$.

	DK	NL	SE
Affluence: GDP/capita current prices (k\$ at PPP)	21,9 (o)	20,9 (o)	21,4 (o)
Growth: GDP change from previous year (% increase)	2,1 (-)	2,8 (o)	2,2 (-)
Openness: total trade in current prices (% of GDP)	74,2 (o)	114,0 (+)	69,6 (o)
Total population (millions)	5,2 (-)	15,3 (o)	8,7 (o)
Public social expenditure in cash (% of GDP)	14,4 (+)	14,4 (+)	16,0 (+)
Strike activity: work days lost (per 1000 employees)	145,5 (o)	14,4 (o)	60,5 (o)
Unemployment rate (% of civilian labour force)	6,8 (o)	6,4 (o)	5,7 (o)

Source: OECD (2010).

Table 5: Overview of the cabinets that have been in office in the country-year pairs under investigation. Parties have been ordered from left to right according to the Hooghe *et al.* (2010) dataset and lined up such that parties in the same column are as similar as possible. Government parties are marked with a solid background; parties supporting minority governments have a shaded background.

Country	Year	Left				Centre				Right	Classification	
DK	2004	EL	SF	SD	RV				KF	V	DF	right
	2009	EL	SF	SD	RV				KF	V	DF	right
NL	2004	SP	GL	PvdA	D66	CU	CDA		VVD	PVV		centre-right
	2009	SP	GL	PvdA	D66	CU	CDA		VVD	PVV		centre-left
SE	2004	V	MP	SAP			C	FP	KD	M		left
	2009	V	MP	SAP			C	FP	KD	M		centre-right

4.3 Time frame and data sources

Recommendations from the Council appear annually (except in 2005) and I analyse whether national governments have taken up these recommendations and the guidelines in their NAP or NRP for the subsequent year. This analysis focuses on two years to detect learning effects and ideological motivations; a single year prior to and a single year after the government ideology shifts in the Netherlands (2006) and Sweden (2007). By studying whether the change in government ideology has affected policy commitments, I can determine whether the policy output is the result of policy learning or rather reflects government partisanship.

The year 2004 is the first measurement, since it is the last year for which NAPs are available prior to the government ideology shifts. To provide the new government the necessary time to adapt policy to either the recommendations of the ESGJ or to their own government ideology, 2008 is chosen as the second measurement point. I use the ESGJ recommendations of 2003 and 2007 (Council of the European Union 2003, 2007). The years 2003 and 2007 are chosen because they precede the years for which national policies are analysed to take into account the lag due to the time it takes for the governments to respond.

The economic background of the period under study is demonstrated in figure 1. The countries follow approximately the same trends with regard to economic growth and unemployment. The most important observations are that between the beginning of 2002 and mid-2008, there was a period of economic growth and decline in unemployment and no serious economic downturn has occurred in the period under study.

The main sources of data are the national action plans (NAPs) and the national reform plans (NRPs) in which the countries state how they have dealt with the recommendations. These policy documents are similar in kind, but have been renamed in 2005 based on the mid-

term evaluation (Employment Taskforce 2003). The guidelines from the EES (prior to 2005) and ESGJ (from 2005 onwards) overlap almost completely (Mosher and Trubek 2003: 78; for ESGJ guidelines see European Commission 2005b: 5; for EES guidelines see EirOnline 2010). Only a few points were added to the ESGJ guidelines. In the ESGJ procedure there is more emphasis on the quality and productivity of work (middle section of ESGJ guideline nr. 17), adjusting education for skills needed at work (ESGJ guidelines nr. 20 and nr. 24) and keeping wages flexible and containing wage increases (ESGJ guideline nr. 22). EES guideline nr. 9 of transforming undeclared work into regular employment is rephrased as 'employment security' in the middle section of ESGJ guideline nr. 21. Stimulating job creation and entrepreneurship (EES guideline nr. 2) is left out of the ESGJ guidelines, although the former part is implied by some of the new guidelines. Note that the mid-term evaluation report was already finished in 2003, so in both years of observation governments should be expected to be aware of its contents. Moreover, the most common criticism of the employment taskforce on the ESGJ was that the European Union was still lagging behind in the attainment of its targets (Employment Taskforce 2003). Since the countries I examine are meeting most of the targets already in 2004, this comment does not apply to them.

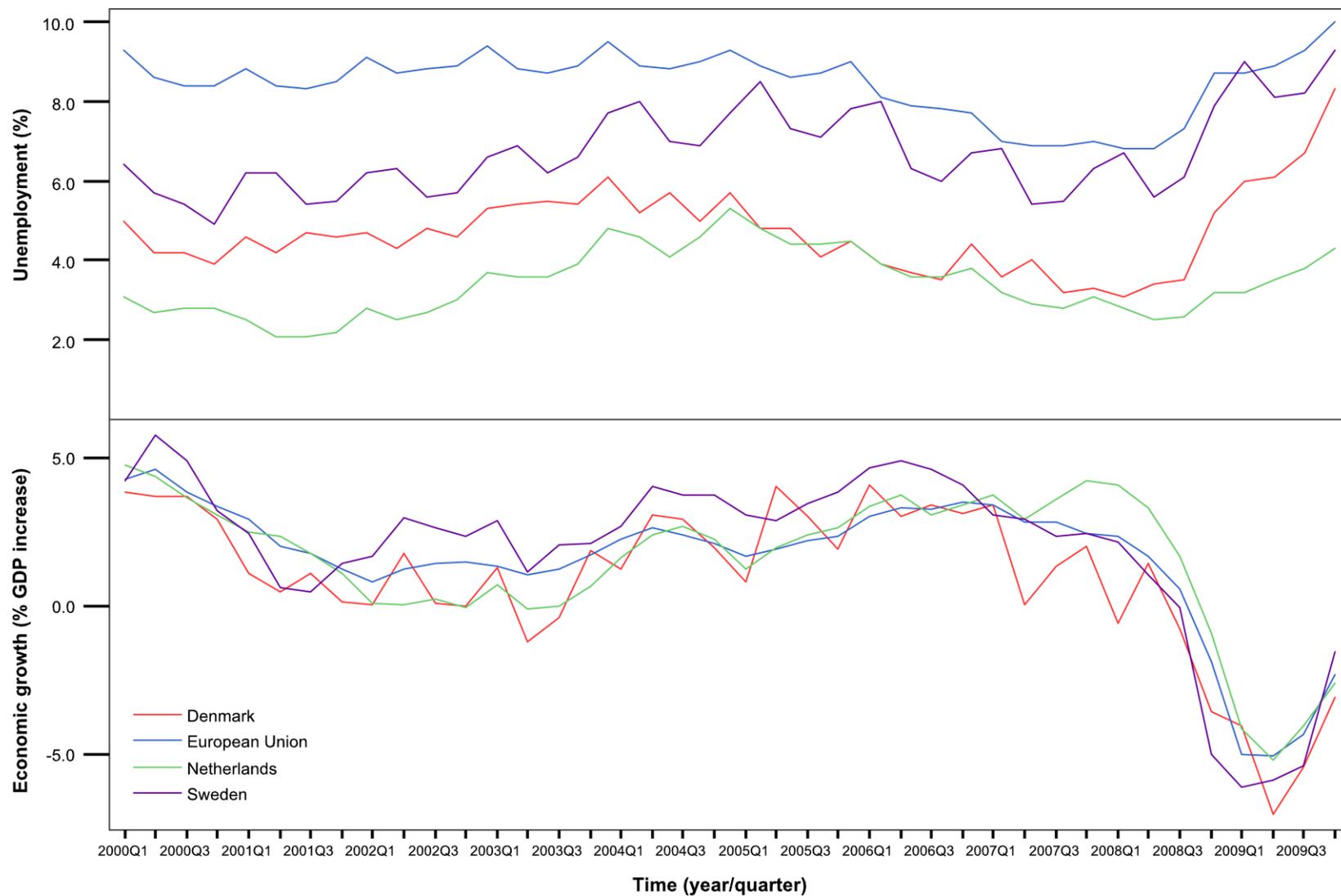


Figure 1: Unemployment and economic growth (for the latter, each quarter is compared to the quarter a year before) for Denmark, the Netherlands, Sweden and the EU mean for the period 2000-2009.
Source: OECD (2010).

5 Denmark

The countries under study are analysed separately in this and the following two chapters. I start in this chapter with the country where no political shift occurs (Denmark), then I discuss the Netherlands which has an intermediate level of change in government composition and conclude with Sweden which has experienced a more radical government shift. For each country, the economic and the political developments are described briefly on the basis of information from the NAP or NRP, table 5 and figure 1. For each year, the analysis starts by summing up the recommendations. Second, I describe to what extent and how the recommendations fit the government ideology and use this to predict government response based on the partisanship approach. Finally, the policies and commitments of the government in that year are described.

The first country to be discussed is Denmark, which has had a right-wing coalition of liberals and conservatives since 2001 (see table 5). In general, Denmark has low unemployment rates, which have decreased further between the end of 2003 and the end of 2008 (see figure 1). Economic growth has been going up since the beginning of 2003 until the beginning of 2007 and declined after that.

5.1 The Danish policies in 2004

In 2003, according to the Council of the European Union (2003: 24), the Danish labour market is performing very well, which can be seen from its relatively high employment rate, even among disadvantaged groups. However, the labour supply should be kept on track to be prepared for the ageing of society. Therefore, Denmark is advised to increase its labour supply and encourage working at older age, help the labour market integration of immigrants, and create incentives for work by reducing the high marginal tax rate on low and medium incomes.

On the basis of the government ideology, the partisanship approach would expect the right-wing government to put most emphasis on lowering of the tax levels in order to create more incentives to work and to increase labour supply. Pursuing special policies to activate disadvantaged groups, for example immigrants, is not expected under the partisanship approach.

The tax reform is indeed the most prominent policy measure in the 2004 Danish NAP (Danish government 2004: 6-7). In 2004, Denmark initiated a tax cut and implemented an employee allowance, the so-called “spring package”. This plan is intended to reduce the tax

burden on labour and to stimulate economic growth. Specifically, the tax cut is introduced by widening the first tax bracket. As a consequence, less income gets taxed in the second tax bracket. The Danish government maintains that (Danish government 2004: 6): “the tax reductions strengthen the financial incentives to work. Marginal taxation is reduced for 1.7 million persons with earned income.” Approximately 79% of the labour force will pay less tax as a result of this measure [commitment to incentives to work: 6].

When it comes to reintegrating the unemployed, the following measures are made that focus both on the general population of unemployed individuals and disadvantaged groups, such as immigrants and older workers. For the unemployed in general, activation measures are made more targeted (so less universal) and more emphasis is put on the unemployed person’s own responsibility for finding a job (Danish government 2004: 22-23) which the following citation makes clear: “Unemployed persons whose only problem is unemployment will have to intensify their job search activities”. For immigrants, several plans are proposed to integrate them better in the labour market, but none of these is described with any level of detail and no targets or deadlines are set (Danish government 2004: 77-79). For older workers, a study is underway in which the possibilities and barriers to unemployment for older people are analysed. However, no concrete plans or targets on this issue are put forward (Danish government 2004: 77) [commitment to activation: 2].

5.2 The Danish policies in 2008

In 2007, the Council of the European Union (2007: 26) praises Denmark’s labour market reform, its strong emphasis on flexicurity, its focus on fiscal sustainability and its strategy to increase the labour supply, especially by deferring early retirement. The Council recommends that the Danish government should create even more incentives to work, increase its labour supply, also by integrating older workers and immigrants, improve primary and secondary education and increase the number of students finalizing secondary and tertiary education.

Based on the recommendations, the partisanship approach predicts that the Danish right-wing government will further increase its labour supply by decreasing tax rates on labour and by discouraging early retirement. The expectation is that there will be less effort in investing in education, because that would negatively affect the government budget. However, it should be noted that education may be considered an investment rather than a pure cost (unlike, for example, expenditure on benefits and wage subsidies). For this reason I expect an intermediate level of commitment on this. Another expectation is that the policies in 2008 are similar to those of 2004, because the centre-right coalition has remained in office.

In practice, the Danish policies in 2008 are indeed very similar to those in 2004. Right-wing measures, such as reforms to reduce taxes, are continued (Danish government 2008: 4-5). These measures, even though encouraged by the Council, also fit very well within the right-wing economic view of the government. Tax levels on labour income are further decreased and the increases of other tax levels are frozen (Danish government 2008: 4-5). The income threshold for the middle income tax bracket is increased at January 1st 2009; approximately 21% of the total labour force no longer has to pay any middle bracket income taxes. In 2008 and 2009 the tax deduction for working people is further increased, making it financially more attractive to have a job (Danish government 2008: 4). The government is working on more reforms in which tax levels on earned income are further reduced (Danish government 2008: 5). In general, the Danish policies in 2008 are a continuation of those in 2004. Denmark aims to further increase the labour supply by continuing reform of its taxes and social security system and by reducing illness absenteeism (Danish government 2008: 29-30).

However, the Danish government has also pursued active labour market policies that fit less within the right-wing ideology of the government (Armingeon 2007: 913). The following measures are taken in this regard. First, the government allocated funds for skill development in the labour force (Danish government 2008: 32). Second, the government has initiated a diverse set of activation measures aimed at disadvantaged groups, such as the elderly, immigrants, low-skilled people and the disabled (Danish government 2008: 33-5). Third, to boost regional development, investment in skills in economically lagging areas is planned so that businesses have access to skilled labour in these regions (Danish government 2004: 24-5). For this goal, resources from the EU structural funds are to be used [commitment to activation: 5]. An activating social security is part of the ESGJ guidelines. These measures may be examples of policy learning.

In the field of education the Danish government has provided a list of measures for improvement (Danish government 2008: 7-13, 32). These measures are mostly focused on improving the quality of education at universities by investing more money in it. Even though the Danish government proposed several plans for reforming primary and secondary education, it did not reserve financial means for it. This is remarkable because the Council's recommendations for improving the quality of education were about primary and secondary education [commitment to improve education: 2]. There is no easy way to explain this based on the theories considered in this research. However, it could be argued that if the government perceives tertiary education as having a higher return on investment than other forms of

education, this fits with the right-wing view that education is an investment. People with high education tend to have a high income, which means that they also pay high marginal tax rates. Hence if the government can boost someone's income by for example € 5000 per year by providing better education, the pay-off for the government is higher if that person had a high education to begin with. Moreover, it is in particular the supply of highly educated people that dominates the strategies in attracting foreign investment, since low-skilled jobs are generally easily off-shored to low-wage countries.

5.3 A comparison of the policies in 2004 and 2008

In 2008, the Danish policies were a continuation of the policies that were presented in 2004, with some minor changes. Especially from the policies in 2004, it becomes clear that the Danish government is more committed to right-wing measures. The Council's recommendations essentially reflect two policy strategies: reducing the tax burdens to create more incentives to work and pursuing an active labour market policy to provide the unemployed more opportunities for work. As expected, the right-wing government is highly committed to the former, but much less committed to the latter, at least in 2004.

However, in 2008 the government pursued an activation policy that can be considered as left-wing (Armingeon 2007: 913). This policy, although not required in the recommendation, seems to closely follow several guidelines of the ESGJ and is therefore a possible instance of policy learning. It is important to note that budget-wise right-wing measures make up the vast bulk of the policies described in the NAP and NRP; in particular the tax cuts that were present in both years under investigation represent a major change, dwarfing any more 'left-wing' measures. In sum, while it does not necessarily contradict policy learning, Denmark clearly confirms the partisan theory.

Notably in 2008, the Danish government made efforts at improving all types of education, from primary to academic. However, resources have been allocated to university education and not to primary and secondary education. Improving the quality of primary and secondary education is one of the Council recommendations. It should be noted that university education is commonly perceived as an investment which should return its money rather than as costs that are lost forever, so this may explain why a right-wing government spends money on it. As a consequence, this is not a strong indicator of policy learning.

6 The Netherlands

From 2002 until 2007 a centre-right coalition was in power; in 2007 a centre-left coalition took over (see table 5). As can be seen in figure 1, in 2004, after a few economically difficult years, the economic outlook for the Netherlands was good. In 2008, the economic forecast was slightly pessimistic, showing a drop in economic growth from 2009 onwards (Dutch government 2008: 16).

6.1 *The Dutch policies in 2004*

In 2003, the Dutch labour market is doing quite well in comparison to the targets for the ESGJ (Council of the European Union 2003: 28). However, the Council is mainly worried about two elements. First, like other extensive welfare states, the Netherlands struggles with high inactivity rates because the social security system makes work financially less attractive. The disability pension scheme is most problematic in this regard. The government is advised to put more people to work, especially women, the elderly and immigrants. Low-skilled people should be better trained so that they can take a job. Second, the gender pay gap is relatively large in the Netherlands and the Council's advice is to develop a national strategy for tackling this issue.

In the Netherlands in 2004, a centre-right government was in power. The partisanship perspective suggests that this government would increase the incentives to work by reducing the financial attractiveness of social security schemes, in particular of the disability pension scheme. On the other hand, the government is expected to put less effort in fighting the gender pay gap, which is mainly a concern of left-wing parties. Also, activation measures to get more people to work cost money and the government is expected to be less inclined to follow this strategy.

The policies actually pursued by the government are very much in line with the expectations of the partisanship perspectives. Reducing the number of disability pension receivers is of high priority for the 2004 administration (Dutch government 2004: 20). Large-scale medical reassessments of the disability pension receivers have been initiated by the government. The standards for receiving a disability benefit have been tightened and many disabled benefit receivers lost their benefit (Dutch government 2004: 21), especially when only partially disabled. Note that this measure constitutes a large government saving on social security. Even though 100 million euro is available for the reintegration of the ex-disabled into the labour market, this is only a tiny fraction of the money that was saved. The strategy of

increasing labour supply and reducing the costs of social security fits well with the centre-right ideology of the government.

The Dutch government is also committed to create incentives to work by curtailing the influx of people in the unemployment scheme (Dutch government 2004: 22-3). Since 2003, the government is making access to the scheme more difficult and has even abolished part of the unemployment benefit. For those that already receive an unemployment benefit, the financial sanctions for not complying with the rules are tightened (Dutch government 2004: 22).

Several other measures are taken to make work pay and to increase the participation rate. The tax system is revised in such a way to encourage those approaching pensioner's age to keep working (Dutch government 2004: 20). Employers are provided with financial incentives to hire workers above the age of 50. In the light of the strategy to increase labour participation in general not working is discouraged. One measure is to financially penalize employers if they top-up the wage of an ill employee (who according to the law should receive only 70% of last earned salary) (Dutch government 2004: 21). The strategy of making the social security system financially less attractive combined with reducing tax rates on labour leads to more incentives to work [commitment to increase incentives to work: 6].

Compared to creating incentives to work, the government puts much less emphasis on pursuing active labour market policies. To further reduce government spending, the law for step-in jobs (Deployment of Job Seekers Act) has been repealed (Dutch government 2004: 26). This scheme provided subsidized step-in jobs for the long-term and low-skilled unemployed. This decision is quite remarkable as one of the Council's recommendations is to train low-skilled individuals, older people and immigrants so that they can more easily get a job. Subsidized step-in jobs provide these opportunities for training. However, the Dutch government avoids making any costs for activation. This strongly supports the partisan thesis, while contradicting policy learning.

The government has tried to improve the quality of reintegration projects by making performance agreements (Dutch government 2004: 22). Parties offering reintegration are awarded financially based on the results they achieve. Moreover, small homogenous target groups of unemployed are contracted out in order to get tailored solutions for each individual. These measures do not lead to an increase in spending for activation, but rather seek to distribute money that is already spent in a more effective way. Furthermore, with the public employment services it is agreed that 30% of the disabled benefit receivers in a reintegration

process have to resume work within two years (Dutch government 2004: 22) [commitment to activation: 4].

Another recommendation of the Council is that more women should work. As a response to this, the childcare facilities should be improved in order to allow for more female employment (Dutch government 2004: 24-5). A new bill will be implemented on January 1st 2005 in which good quality childcare is guaranteed. The government, the employer and the employee each pay a part of the costs of childcare. This will stimulate women to work more hours resulting in better pay. However, in the NAP it is clear that this new bill has been inherited from the previous cabinet (of social democrats and liberals) and has already been running since 1998 (Dutch government 2004: 24). On top of this, a tax-free facility for employees to save money for parental leave is created to make work and family life easier to combine (Dutch government 2004: 15) [commitment to reduce gender pay gap: 4]. Although at first sight the implementation of left-wing policies consistent with recommendations seems to support the policy learning theory, this is not the case because the bill on childcare was inherited from a prior government. Instead, the findings indicate the presence of path dependence.

Remarkably, even though the Netherlands has not received any recommendations for containing wage increases in 2003, the government is highly committed to this guideline (the Dutch government 2004: 12-3). Curbing inflation is one of the defining elements of right-wing economic policy (Hibbs 1977: 1471). The government and parliament monitor closely whether the social partners live up to the earlier announced wage restraint. [Commitment: 6].

6.2 The Dutch policies in 2008

In 2007, the Council of the European Union (2007: 69) praises the progress the Netherlands is making with meeting the recommendations for the period 2005-2007. The following recommendations have been made for further improvement. To meet the increasing demand for labour, the Dutch government should expand the labour supply of especially women, disadvantaged groups and older workers. The Council is also concerned about the possible overheating of the Dutch economy. Therefore, the Dutch government is advised to be cautious with potential wage inflation and to monitor household indebtedness.

In contrast to the 2004 administration, the 2008 administration involves the left-wing party PvdA while the right-wing VVD has been removed from office. The partisanship approach would expect that the 2008 government, unlike the one in power in 2004, would seek to increase the labour supply by investing in the unemployed (activation) and by

matching labour demand to labour supply. Keeping government spending at a low level would be less of a priority. Moreover, monitoring wages in order to contain wage inflation should also not be the first priority of this government.

As is expected by the partisanship perspective, much government policy in 2008 is aimed at making more people, especially women and people from disadvantaged groups, work. To boost the total number of hours worked a package of measures is proposed (Dutch government 2008: 9-11, 49) that fits within an activating labour market policy for both the general population and for women and disadvantaged groups in particular. A task force is established to examine the labour market position of women and to map important obstacles for the labour participation of women (Dutch government 2004: 54-5). The government intends to reform the childcare act by allocating more resources to it and by lowering the contribution that parents have to pay. Moreover, the number of weeks employees can claim parental leave is extended from 13 to 26 (Dutch government 2008: 55). With regard to the labour market position of immigrants, civil society actors are working on plans and the government intends to simplify legislation and to improve the integration programme for immigrants (Dutch government 2008: 60). Moreover, agreements have been made with public employment services to invest in on-the-job training for 30,000 low-skilled young people from ethnic minorities. The government also pursues the activation of other vulnerable groups in the labour force, such as handicapped and low-skilled people (Dutch government 2008: 57-9). Financial incentives are also given to employers by providing targeted wage cost subsidies for hiring (partially) disabled persons. At the same time, the benefit scheme for young handicapped people is adapted to put more emphasis on activation. Finally, financial resources from the European Social Fund are allocated to train women, older workers and other disadvantaged groups so that they have a better position on the labour market (Dutch government 2008: 69). The resources are also used to invest in vocational training and to encourage social innovation to boost labour productivity (Dutch government 2008: 69). In sum, there are a large number of detailed and well-funded active labour market policies [commitment to activation: 6].

A key aspect in the strategy to increase labour supply is revising the tax system in such a way to make work financially more attractive (Dutch government 2004: 57). This measure is also to stimulate the lower-skilled to work (more). To increase the participation of women, work is made more attractive financially for them by introducing tax incentives targeted at couples (Dutch government 2008: 52-4). Noteworthy in this respect is that these tax measures are not quantified and not combined with making social benefits financially less attractive,

implying that the government puts less emphasis on creating incentives to work [commitment to incentives to work: 2].

In contrast with the extensive efforts on activation, no new activities are introduced to fight inflation. The government has mentioned the importance of containing wage increases and “has cancelled the planned VAT increase to mitigate inflation” and the topic of controlling wage developments “will be raised with the social partners” (the Dutch government 2008: 16, 62). Even though the government recognizes the potential problem of wage inflation, no new plans are proposed and the issue is deferred to the social partners [commitment to curb inflation: 3]. This is theoretically a very important finding: the 2004 government tried to curb wage increase despite not being explicitly recommended to do so, while the 2008 administration does get the recommendation but does not do much about it. This provides strong support for the partisan theory, while discrediting policy learning.

As is made clear in the prior analysis, the focus of this cabinet has been to invest in inactive individuals. Therefore it is remarkable that the definition of ‘appropriate work’ in the unemployment benefit act is modified in such a way to allow more work to be regarded as acceptable (the Dutch government 2008: 8, 10). Moreover, the government will make agreements with the relevant authorities “about more stringent application of the existing range of sanctions” for not complying with the rules of the scheme (Dutch government 2008: 61). These measures, even though very minor, do not fit within the centre-left government strategy. It should be noted that these measures hardly affect the disadvantaged groups that are unemployed because to them almost all work was already considered appropriate. The most affected group is higher educated unemployed people who may now have to accept a job at a lower level depending on the circumstances. This is not the group that left-wing parties traditionally are trying to protect because these people are much less vulnerable and more likely to find jobs than the disadvantaged and low-skilled people for whom the activation package has been created. The theoretical impact is therefore minor.

6.3 The effect of the government shift

The Netherlands in 2004 was advised to both bring down the number of benefit recipients, especially disability pension receivers, and to put more people, especially older workers and minorities, to work. In practice, the government in 2004 radically reduced the financial attractiveness of the disability pension and the unemployment schemes to create incentives to work. However; it has invested only little in the labour market position of the unemployed and even abolished subsidized jobs. In 2008, the centre-left cabinet of the Netherlands was

advised to increase the labour supply in general and of women, people from disadvantaged groups and older workers. The 2008 administration responded by active labour market policies, namely by granting subsidies to employers for hiring people from disadvantaged groups. Also, more resources were allocated for training and reintegrating the unemployed. This combination supports partisanship theory, showing that governments are selective in which recommendations they adhere to.

The 2004 cabinet in the Netherlands addressed the issue of female employment raised by the Council with a high-level commitment to a policy that increases government expenditure, namely subsidized childcare. Although this could be interpreted as an instance of policy learning (a centre-right cabinet pursuing left-wing policies under international pressure), further analysis shows that it was not: this policy was commenced long before the recommendation and also before the centre-right government was in office. The 2008 administration invested in childcare by reforming the childcare act to make it more accessible for lower income families. Moreover, the possibilities for parental leave were extended.

It is remarkable that the 2008 centre-left administration in the Netherlands has hardly addressed possible wage inflation, even though the Council provided a recommendation on this. Conversely, the 2004 centre-right administration in the Netherlands did not receive a recommendation on guarding for possible wage inflation, but still the government was committed to the issue. Fighting inflation is a priority for right-wing parties and the findings regarding this policy strategy suggest that partisanship, rather than policy learning has been a determinant for policy making.

7 Sweden

Sweden is seen as the archetype of social democratic rule. The social democratic party ruled the country as a single-party minority government supported by two far-left parties in the first time period of the research, but in 2006 it lost to a centre-right majority coalition. In the years prior to 2004, Sweden has experienced a slowdown in its economy, but this trend has been reversed since the beginning of 2004 (Swedish government 2004: 7; figure 1). In the years prior to 2008, the number of people on social benefits was going down due to the increase in employment. However, by 2007 this increase was going down. In 2008, the Swedish economy, after years of economic growth, was slowing down.

7.1 The Swedish policies in 2004

In 2003 Sweden is doing very well in terms of labour market performance, which can be seen from its high labour participation rates (Council of the European Union 2003: 29-30). However, in the light of the ageing population, the Council recommends that Sweden should increase the labour supply of especially immigrants, the young and the long-term sick. Moreover, early retirement should be discouraged as much as possible. To create more incentives to work, Sweden should decrease the tax burden on labour and reform the social security system.

Essentially there are two ways of increasing labour supply, depending on the ideology. A right-wing strategy is to reduce the attractiveness of the social security schemes and to decrease taxes to create incentives to work. A left-wing approach is training the inactive workers so that they are qualified for more and better jobs (activation). Although the European Commission requests both, the partisanship theory predicts on the basis of the left-wing ideology of the government that Sweden will put activation above incentives to work in 2004.

The Swedish government (2004: 25-32) makes clear in its NAP that the left-wing Swedish government has mainly continued existing policies of upgrading the skills of its labour force and matching of jobseekers to available jobs (Swedish government 2004: 15-7). These measures are aimed at the general population of unemployed (Swedish government 2004: 32-7) and young people (Swedish government 2004: 35-6), the disabled (Swedish government 2004: 46) and immigrants (Swedish government 2004: 35, 43-5) in particular. To address regional employment disparities, the government allocates financial means to the municipalities and county councils to retain their staff and to employ more people in

healthcare, education and social care (Swedish government 2004: 55). Finally, financial means from the European Social Fund are used to improve skills of employees [commitment to activation: 5]. Investment in skill development and job creation are policies that fit very well within the ideological background of the Swedish government, supporting the partisan these.

The Swedish government maintains that improving education is the key to reducing unemployment among young people (Swedish government 2004: 27). With regard to general education, the Swedish government has put forward a detailed and extensive list with measures to improve general education (Swedish government 2004: 26-32). These measures are focused on preschools, secondary education, adult and post-secondary education and vocational training. In addition, financial assistance is given for older students. Finally, more is invested in training in the health care, education and social care [commitment to improving education: 6].

The Swedish government is, as one would expect on the basis of its ideology, less committed to increasing incentives to work (Swedish government 2004: 47-51). Even though it has provided extensive information on its tax regulation in the NAP 2004, it is only willing to decrease payroll taxes by 0.12 percentage point. Furthermore, no concrete plans are presented on tightening the eligibility of social benefits to increase incentives to work [commitment to incentives to work: 2]. According to the Council of the European Union (2003: 30), the combination of generous social benefits and a high tax burden is said to decrease incentives to work, which remains largely unchanged under social democratic rule. This is an area where the predictions from partisan theory and policy learning theory clash. Once again, the actual outcome is consistent with partisan politics.

Flexible labour markets are also not the main goal of the Swedish government in 2004. Even though the Swedish did not receive a recommendation on this guideline, the government's view on flexibility is one that benefits the employees, not the employers (Swedish government 2004: 22-4). Providing employees older than 61 the opportunity to take partial old-age pensions is an example of this (Swedish government 2004: 23, 37). This measure also discourages complete early retirement while keeping the option of early retirement intact. Flexibility for the employers, covering dismissal of employees, is not discussed. The latter is considered an approach that fits less in left-wing ideology [commitment to flexibility for employees: 3 / commitment to flexibility for employers: 0].

7.2 The Swedish policies in 2008

The Council of the European Union (2007: 40) praises the Swedish government on making progress on creating incentives to work. However, Sweden should increase its labour supply, further increase incentives to work and reintegrate immigrants, young people and people on sickness related schemes in the labour market. In sum, these recommendations are targeted at incentives to work and supporting disadvantaged groups in finding work, the two points that were also part of the recommendations in 2004.

Sweden traditionally has a very high tax burden on labour that is said to decrease incentives to work (Council of the European Union 2007). However, right-wing parties are expected to pursue a low level of government spending so that they can reduce taxation levels leading to more incentives to work. Creating jobs is also expected to be a priority since the 2006 elections were lost due to the perceived failure of the left-wing government to overcome the high level of unemployment. The latter is not based on ideology, but nevertheless very important because it is likely to be one of the main criteria on which this new government will be judged.

In practice, the centre-right Swedish government has put much effort in reducing the number of recipients of social benefits and in curbing the high rate of unemployment, especially among the youth (the Swedish government 2010: 6, 50-2). By curtailing social security the government creates incentives to work and reaches a low level of government spending, both priorities of right-wing governments. The Swedish government is highly committed to creating incentives to work by making social benefits less accessible and less generous (the Swedish government 2010: 19-20). To achieve this, the unemployment insurance system has been radically cut in the last years. Eligibility for the scheme is tightened, the benefit level is reduced and many extra financial advantages of the scheme are abolished (Swedish government 2008: 72-3). The government is continuing this policy of cutting social security by extending the number of waiting days to be eligible for unemployment benefit from 5 to 7. At the same time, the government is mapping possible practices of erroneous payments and fraud in the unemployment insurance system (Swedish government 2008: 74-6). It is made mandatory for agencies to report fraud to the police and the government puts pressure on the Swedish Social Insurance Administration to take measures against erroneous payments.

In the same vein, the government has proposed a list of measures to decrease the number of people on sickness benefits (Swedish government 2008: 52). Cuts are made, such

as reducing the number of days for which sickness benefit is paid, medically reassessing sickness benefit receivers, reducing the maximum sickness benefit and including more illnesses in the rehabilitation guarantee scheme, which means that people having those illnesses are expected to go back to work (Swedish government 2008: 64-5). Finally, the government has allocated money to build an occupational health service which should be used for the prevention of (long-term) illness. All in all, the sickness insurance system is less accessible and less generous. This is consistent with the right-wing desire to cut costs.

The government is highly committed to fiscal reforms to create incentives to work (Swedish government 2008: 71-2). Since 2007, the government has been pursuing a policy of reducing taxes on labour. The marginal tax rate on low and middle incomes is reduced by 1 to 1.5 percentage points, which is considerably more than the tax reduction of the 2004 left-wing administration. At the same time, the threshold below which earned income is free from income tax is raised [commitment to incentives to work: 6]. In contrast to the left-wing administration of 2004, the 2008 centre-right government makes the labour market more flexible for employers by simplifying the rules on fixed-terms contracts (Swedish government 2008: 81) [commitment to flexible labour market: 4]. These policies, especially when compared with the previous government, show that partisanship has a major influence, while policy learning seems to be much less at issue.

The Swedish government (2008: 57) has put some effort in activation, in particular of the disabled, the young and immigrants. This more left-wing strategy is contrary to what one would expect, even though it may be the result of the Social democrats losing the 2006 elections due to the high level of unemployment. To get more disabled persons at work, resources are allocated for activation measures, such as wage subsidies (Swedish government 2008: 66-7) [commitment to activating the disabled: 4]. To increase the educational level of the young a list of proposals is put forward: investing in the quality of teaching, investing in vocational training, making universal pre-schools for 3 year olds, boosting education in arts, providing universities more autonomy and promoting training in entrepreneurship (Swedish government 2008: 84-8). However, these plans are not very detailed and are not focused on the specified objective of activating the young [commitment to activating the young: 2]. Immigrants make up another group in the Swedish society that experiences a higher-than-average level of unemployment (Swedish government 2008: 123). To promote the labour market participation of immigrants, existing activation measures are combined with Swedish language training (Swedish government 2008: 69). Several small and very specific measures are put forward aimed at groups of immigrants [commitment to activating immigrants: 3]. All

in all, one can see some plans that can be labelled left-wing, but they can be explained by the circumstances surrounding the elections that brought the government to power (focus on employment) and the commitment is considerably lower than it is for the more typically right-wing policies. Therefore, this does not provide much support for the policy learning hypothesis A₀.

7.3 The effect of the government shift

Both in 2004 and 2008, Sweden was advised to create more incentives to work and to help disadvantaged groups in the labour force to work. The left-wing government in 2004 is most committed to the disadvantaged groups, whereas the centre-right government in 2008 prioritizes incentives to work. This can be seen by the fact that both the 2004 left-wing and the 2008 centre-right government reduced tax rates, but the latter did considerably more. Moreover, the centre-right administration in 2008 radically cut the unemployment benefits and sickness schemes and was fighting fraud. Also, the flexibility for employers in hiring people is boosted by simplifying rules for fixed contracts. Conversely, the left-wing government in 2004 pursued an active labour market policy for disadvantaged groups and for the general population of unemployed. The government also implemented measures to increase labour mobility. However, the 2008 centre-right administration also put some efforts in reintegrating immigrants and young people. This is a possible instance of policy learning because a labour market accessible to everyone is one of the objectives of the ESGJ guidelines (although there is no specific recommendation for Sweden on this issue), but alternative explanations have also been discussed. Aside from the fact that tackling unemployment is an election promise, the 2008 right-wing administration's commitment to these active labour market policies did not have the same level as the policies of curbing high taxes and cutting social security schemes. Summarizing, Sweden provides many instances where the influence of partisanship is clearly visible. Exceptions are minor and can generally be explained from other factors than policy learning.

8 Conclusion

Policy decisions regarding the labour market involve the distribution of tax money and affect large groups of people financially. Left-wing and right-wing parties have traditionally set different priorities in the handling of the labour market (Hibbs 1977: 1471). The fact that labour market policy is a politically sensitive issue, due to the difference in opinion on how to deal with the issue and its profound effect on people's lives, hampers unified European decision making.

In the 1990s, the European labour market performed comparatively poorly; unemployment and the number of inactive persons were quite high and European economic performance was lagging behind the rest of the developed world. The euroscepticism present in some of the member states' populations prevented the European Union from setting binding rules or guidelines for improvement. As a substitute, the European Employment Strategy (EES) was introduced in 1997, renamed the European Strategy for Growth and Jobs (ESGJ) in 2005. Governments remain sovereign over their labour market policy, but their performance is monitored by the Council and the Commission, who provide regular recommendations for improvement. The ESGJ is a system of governance in which peer review of the achievements on targets results in the identification of best practices that can be used by other member states (Jacobsson 2004: 355). By iteration of recommendations and guidelines, member states would slowly learn policy strategies and apply them in their domestic policy setting. According to the policy learning approach such projects can have an impact even though the guidelines and recommendations of the ESGJ are not binding. This is possible because the performance of the member states and the decisions they take is monitored, evaluated and made public, which provides a standard for countries to measure themselves against. Moreover, policy makers will, through international comparison, learn what the best practices are.

The expected outcomes of the policy learning views are at odds with the nature of policy making as predicted by the partisanship approach. According to this view, policy making is not a technocratic endeavour of policy technocrats aiming to get the best results, but the product of intensive battle between political parties representing the interests of their constituencies. Political parties do not choose policies by virtue of their consequences and whether they should please the European Commission, but by their historically determined normative convictions on how society should be organized (Marks and Wilson 2000: 434). These parties have ideologically motivated goals which are set independently from the

European level. They pursue policies for achieving these goals and use the recommendations and guidelines of the ESGJ to underline the importance of these goals and policies. Conversely, guidelines and recommendations that do not fit the government's ideology are given as little attention as possible.

In this paper, I have tested both theories in the ESGJ context. The research question is whether partisan politics affects policy learning in the ESGJ. I compared three similar countries – Netherlands, Sweden and Denmark – by analysing their responses to the ESGJ guidelines and recommendations. If the policy learning approach would best match reality, one would expect no difference in commitment to left-wing and right-wing policies between governments (hypothesis A_0) and government shifts would not affect the direction and degree of policy learning (hypothesis B_0). However, in practice, right-wing parties curb social security spending, reduce taxes and are less committed to left-wing goals such as direct job creation (hypothesis A_1). Conversely, left-wing parties invest in the labour market position of disadvantaged and low-skilled people to create more employment but do not make much of an effort to make work pay. For example in 2004, both the Netherlands and Sweden were advised to eliminate poverty traps in the social security system by creating incentives to work. However, the response of the centre-right administration in the Netherlands has been much more serious on this recommendation compared to the response of the left-wing administration in Sweden. Moreover, government ideological shifts have a profound effect on the focus of the government that is in accordance with the partisanship approach (hypothesis B_1). In each country-year, the government's ideological profile was clearly visible in the policy output specified in the NAP or NRP. In both cases with change of government, the Netherlands and Sweden, the governments in 2008 have very different priorities compared to the 2004 administrations. In Denmark on the other hand, the government did not change and neither did the response.

Linking this back to the theoretical framework, it confirms the influence of partisanship on public policy. If partisanship were not an issue, one would expect the governments to give similar recommendations a similar level of attention. The fact that policy practices change when governments change further confirms the partisanship approach, ruling out the alternative possibility that some countries would simply have other styles of government or other needs than other countries. Moreover, Denmark was used as a control case and two different government transitions were considered. This rules out the possibility that policy change is driven only by factors related to the passage of time, such as global economic conditions. The findings thus strongly support the partisanship hypotheses A_1 and

B₁. All in all, I have found abundant evidence for the partisan thesis in both its cross-sectional and longitudinal forms.

Based on the results it is not possible to draw an equally strong conclusion on the policy learning theory, but there are clear bounds to how far policy learning can go. Although some cases were found where governments have presented policies that go against their ideological backgrounds, those cases are only a small minority. Moreover, most of them can be readily explained by other factors. There are cases, for example, where governments were engaged in policies that their predecessors had initiated. Such cases are better explained by path dependence theory and hence do not confirm policy learning.

However, based on my results it is not possible to distinguish whether policy learning takes place regarding policies that are consistent with the governing parties' ideologies. Given the fact that governments generally work hard on all recommendations regarding such policies, it is quite possible that this limited version of policy learning does occur; at the very least the recommendations may point governments to areas that need attention and may serve to justify potentially unpopular policies. In this way, the ESGJ provides national governments a window of opportunity to implement controversial policies without loss of popularity. These possibilities, although more limited in policy scope, would be entirely consistent with the theoretical background of policy learning.

As was already hinted at in the research design, it is clear that governments are much more committed to recommendations than to guidelines. Two possibilities were mentioned: either the government tries to please the Council and the Commission by addressing in particular the issues they pointed out or the guidelines without recommendations are irrelevant because the country is already doing well for those guidelines. However, the latter does not provide a sufficient explanation because one would expect the government to at least provide some detail on why they are doing well in this case. This has not been observed in the analysis. As a consequence, the most likely explanation seems to be that the government is 'rewarding' the concreteness of the recommendations by being more active in the areas singled out by the European Commission and the Council of the European Union. Theoretically, the fact that such rewards are relevant is one of the fundamentals of the policy learning theory. Hence this finding provides at least some credibility to the policy learning argument.

Over longer time periods, I expect the recommendations and the guidelines of the ESGJ to be implemented as long as they are sufficiently repeated. The non-binding nature of the ESGJ allows governments to choose their own path towards certain goals. As I mentioned,

I have found that the prioritization of these goals and the path towards them depend on the ideological conviction of the incumbent parties. Still, since governments' ideological make-ups alternate regularly in modern democracies, in the long run all goals will be given attention. As is made clear from the analysis, the Netherlands and Sweden have shown rather diverse tactics, aiming to tackle problems such as inactivity in several different ways. In the long run, these governments pursue more labour market participation (also among disadvantaged groups), elimination of poverty traps in the social security system and containment of wages and tax increases. Denmark in this regard has been in a disadvantaged position for the first decade of the 2000s. It has not experienced a change in government ideology, which explains the continued focus on just incentives to work, even though it is only one of the recommendations. Still, Denmark has had a head start because its flexicurity model is seen as an example for labour market policies (Council of the European Union 2007: 26).

There are some empirical limitations to this research. Even though policy learning occurs if there is a fit between the recommendations and the ideological background, this does not imply that the policies will be successful; the policy outcome is a different thing than policy output (Zohlnhöfer 2003: 126). The policies that have shown to be successful for one country may not be equally successful in countries with different economies and welfare states. My research cannot reveal whether this is the case. Future research might consider policy *outcomes* rather than policy *output* to determine this. However, for my purpose of measuring intent and policy learning, policy output is a more useful concept.

A second empirical limitation is that governments can pursue policies that are in conflict with the recommendations and guidelines; governments are not obliged to report this to the Council. For example, a left-wing government may undermine flexibility by making lay-offs more difficult and a right-wing government may reduce job security by cutting back on active labour market policies. Governments can also reverse the policies of previous governments, even though in practice this may be difficult due to sunk costs (Pierson 1993: 609). The data analysed in this paper are the NAP or NRP in which countries describe the measures they have taken to comply with the ESGJ recommendations and guidelines. These documents provide a selective view of the total list of measures in the policy field. Governments may not provide information on measures that may hamper the achievement of the ESGJ goals. Therefore in order to find out whether the ESGJ is able to induce policy learning in the long run, it is necessary to have a complete overview of domestic labour market policies. This again would be a suitable subject for future research.

Practically, the results lead to the following suggestions for improving policy learning within the ESGJ. First, the guidelines and recommendations should be as specific as possible and, if possible, include concrete goals and benchmarks. Moreover, the guidelines and recommendations should be repeated as much as possible over a longer time period, especially when a government change occurs. This allows the new government to implement changes not feasible before due to ideological constraints.

Theoretically, this research provides a clear confirmation of the partisan thesis while it provides a more qualified and nuanced perspective on policy learning theory. Government ideology has been shown to be central in determining policy output, at least regarding the policies that the governments present in the NAPs and NRPs in response to the ESGJ recommendations and guidelines. This conclusion is generalizable to other countries and policy areas, since the theoretical background applies equally well to them. The fact that the ESGJ provides incentives to go against one's ideological background, namely improved benchmarks scores and positive public reviews only strengthens this generalizability; whenever such incentives would be absent, one would expect governments to follow their constituent parties' ideologies even more strictly. The research also shows that policy learning is generally limited to those policies that do not conflict with the government's ideologies. This does not fundamentally contradict policy learning theory; the fact that political interests sometimes outweigh incentives for policy learning does not imply that such incentives do not exist. In fact, my empirical analysis seems to support the relevance of those incentives to some extent. Assuming that left-wing and right-wing government parties regularly alternate in office, policy learning is likely to occur in the long run. Moreover, my research has shown that such long-term policy learning need not contradict the importance of partisanship.

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