The impact of the European Employment Strategy in Greece and Portugal: soft power in a world of neglect?

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Unemployment has been one of Europe's long-standing problems – a problem greatly exacerbated by the ongoing economic crisis. In addition, unemployment affects almost a fourth of the youth labour force compounding the social problems associated with unemployment. Moreover, labour markets are characterised by significant inequalities between highly skilled and low-skilled workers and between men and women.

In this context the European Union (EU) has developed its own employment policy, with the European Employment Strategy (EES) being the most recent, more experimental and more ambitious pillar. At the 2000 Lisbon Summit the EES was used as a model for other policy areas under the umbrella of a new EU instrument – the Open Method of Coordination/OMC. The significance of the EES has been hotly debated in the literature. In a recently published monograph, I tried to investigate under what conditions the EES can influence the domestic employment policy of European Union member states. To answer this question, I focused on examining two critical or 'least likely' cases: Greece and Portugal. These two countries have a number of features that could be expected to inhibit any significant impact of the EES, such a culture where neither political nor administrative elites adhere to the norm of compliance with EU law (Falkner 2005); high misfit between national and EU policies; weak and inefficient political systems and administrations, gaps between legislation and practice and a weak civil society (see: Hartlapp and Leiber, 2010: 471-474).Yet, both appear to have implemented domestic policy reforms as a result of the EES.

The study focused on three key areas of employment policy: public employment services (PES), gender equality policies (mainstreaming, reconciliation and pay gaps) and 'flexicurity'. It employed the 'Europeanization' approach whereby Europeanization was defined as EU-induced change of domestic policy. It tested the hypothesis that 'if the EES altered Greek and Portuguese employment policy at all, it did so through one of three main Europeanization pathways: 1) policy learning; 2) the domestic empowerment of policy entrepreneurs; 3) financial conditionality.'

In examining the domestic impact of the EES the study did not presume an Europeanization effect a priori. Rather, the research begins from the domestic level (in a process-tracing method) and investigates whether, how and to what extent the EES had a role in the Greek and Portuguese domestic policy. The possibility of other variables (e.g. the OECD Jobs Strategy) and/or internal (e.g. domestic agendas), being pre-eminent was also examined. The empirical study sought to triangulate a wide range of methods and sources. In particular, the project triangulated different types of evidence drawn from: 1) forty-four semi-structured interviews with key policy makers, independent experts and trade unionists involved in national and European policy-making conducted during March 2009-September 2010; 2) EU and national official documents; and 3) secondary evidence from the academic and policy literature.

Although Greece and Portugal share a number of characteristics that may inhibit Europeanization in this type of area, empirical evidence largely supported the research hypothesis and suggested that two key conditions were conducive to the EES having a domestic impact in these cases: the existence of successful policy entrepreneurs who would actively use the EES as a policy window to promote their agenda and -when these were absent or lacked access to power and resources- the existence of the European Social Fund financial conditionality. ESF conditionality was the main Europeanization pathway observed in Greece while domestic empowerment was the main mechanism observed in Portugal. More specifically, as Greek policy makers largely ignored the EES, they were pushed to promote the activation of the unemployed through PES reform, gender mainstreaming and the expansion of care facilities in order to conform to the ESF regulations which were linked with the EES guidelines. By contrast, the EES was used strategically by the Portuguese socialists during 1998-2002 to promote a pre-existing agenda of welfare expansion by linking it with the EES guidelines and fend off domestic opposition with reference to the EU best practices. Despite the different Europeanization pathway, Portugal implemented similar EES-induced reforms to Greece. Thus, the findings of this monograph showed that soft power can be wielded in the world of neglect without policy learning which is considered the main 'soft' mechanism of domestic change in the literature.

Further research is necessary in other countries and policy areas to investigate whether the findings can be replicated and the conclusions generalised. The focus should not be restricted to Europe's periphery (Southern, South-Eastern and Central and Eastern Europe), but to all member states as all EU countries receive ESF funding. For instance, the UK House of Lords has stressed the importance of the ESF for the UK's employment policy to tackle the UK's social problems (House of Lords 2010). Additional policy areas to replicate the thesis findings and conclusions are those where the EU stimuli are primarily based on soft law (other EES areas, other OMCs) and EU funding is available, such as life-long learning, research, education and health. Another promising path for further research appears to be the new flagship EU initiative 'Europe 2020' as most of its seven flagship initiatives are based on soft law and use Structural Funds.

In view of the ongoing economic crisis which has made externally imposed reforms an emergency, it seems that recent developments are in accordance with the findings of this thesis: financial conditionality is an essential component of the Eurozone policy toolkit. This monograph would argue that policy entrepreneurship can be a realistic alternative to financial conditionality. As Harry S. Truman said: '[…] in periods where there is no leadership, society stands still. Progress occurs when courageous, skilful leaders seize the opportunity to change things for the better'.

Note: This article gives the views of the author, and not the position of the Euro Crisis in the Press blog, nor of the London School of Economics

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