

Evaluation of the Integrated Guideline Package (IGP) for Growth and Jobs

Final Report

February 2008

This evaluation was commissioned by the European Commission, DG ECFIN, in the context of the framework contract signed between the Directorate General for Budget and Rambøll Management in association with Matrix and Euréval (Lot 3).

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The opinions expressed in this document represent the authors' views which are not necessarily shared by the European Commission.

Summary

This evaluation was carried out by an independent evaluation team for the European Commission. The evaluation concentrates on nine questions which have been selected and drafted by the Commission. It is based primarily on qualitative research, including interviews in eighteen Member States and a series of case studies covering thirteen Member States.

The main **conclusions** and **lessons** are as follows:

The guidelines are relevant enough (see 3.1)

The 24 guidelines constitute a comprehensive and open framework which easily accommodates all important challenges related to growth and employment in Europe.

They are written in a fairly general way which is adequate for their main function, i.e. to provide a framework for dialogue and coordination.

There seems however to be a coherence problem in the fact that all guidelines relate to specific reforms, except the guideline 6 which stresses the need to boost structural reforms in the Euro Area.

The soft coordination instrument works, but not as intended (see 4.2)

This evaluation confirms the assumptions that the soft coordination mechanisms are effective in fostering mutual learning, enlarging stakeholders' consensus, reinforcing reform promoters' legitimacy, and finally pushing reforms upward on the political agendas. Everything considered, the instrument has had an incremental impact on the reform agendas in a majority of Member States, which is what can reasonably be expected from such a soft mechanism.

The instrument does not however work exactly as stakeholders assume it to work. This evaluation identifies and highlights a mechanism called the "consensual framing of policy issues", which is seldom quoted by stakeholders, but which plays a key role in the effectiveness of the soft coordination process.

Recommendations do not seem to unblock reforms (see 4.2)

This report defines "pressure" as a force which is exerted on a government in such a way that it contributes towards passing or unblocking a reform. "Peer pressure" is exerted through the government's representative in a Committee meeting. "Public pressure" is exerted through the discussion of formal recommendations in the domestic political arenas.

Several information sources and analyses cast doubts about the effectiveness of pressure mechanisms. First, several available studies conclude that the specific effects of 'naming and shaming' are either marginal or negative. Second, the interview survey shows a relative balance between those who trust in the pressure exerted through recommendations, and those who don't. Finally, the case studies do not show any instance of peer pressure or public pressure having unblocked a reform.

The evaluation team's findings are that (1) peer pressure, as defined above, does not work, and (2) public pressure does not seem to work, at least to the extent that it could unblock a reform. The reason is that the exerted force does not seem to be of the same order of magnitude as the powerful factors which drive internal politics. The second finding is however not fully robust, due to a limitation in the evaluation method.

The above finding about public pressure does not however mean that the recommendations are useless. On the contrary, they reinforce the legitimacy of

reform promoters, which makes a difference in the array of driving forces when a political window opens. This force may contribute towards accelerating the reform process, even if it was not powerful enough to open the window.

A key success factor: framing policy issues in a consensual way (see 4.2)

Framing a policy issue implies the development of:

- the concepts through which the challenges and problems are identified, analysed and discussed
- the targets and indicators through which objectives are fixed and comparisons made
- a shared logic model of which types of solution work or do not work
- a consensus on where the good practices are.

This evaluation shows that consensual framing is a key success factor for the effectiveness of the soft coordination instrument. The question of whether guidelines are operational enough for policy-making should therefore be understood as how many guidelines are associated with well-framed policy issues.

The evaluation team's view is that the coordination process covers a number of policy issues which are not properly framed, or not even clearly identified.

Framing a policy issue is however not simple. The case studies show that it takes typically ten years to frame a policy issue in a way which is consensual and practical enough for policy-making. In a majority of instances, this process involves several spheres of discussion and coordination, i.e. not only the Community and its Lisbon coordination process, but also multilateral institutions, academic communities of knowledge, or even an ad hoc group of European forerunning countries.

Integration is an under-exploited success factor (see 3.6)

The fact that the guidelines have been gathered in a single package does not automatically lead to policy reforms integrating the economic and social dimensions. In fact, integration is uneven. It is observed when the policy issue addressed in a given guideline is framed in a way which integrates all its dimensions.

It is the evaluation team's assessment that the potential of integration as a means to accelerate and improve reforms is largely underexploited.

* * *

The main **suggestions** to the Commission are as follows:

Continue (see 5)

The Commission does not need to propose a redrafting of the guidelines or an in-depth reform of the coordination process. It should however strive to strengthen the mechanisms which have been identified as effective, and which are far from being fully used.

Contribute more actively towards framing policy issues (see 5.1)

The Commission should identify a dozen or more policy issues that are subject to a de facto priority in the coordination process. It should equip itself to manage the 'framing' of these issues in a long-term perspective and on an ad hoc basis, i.e. with much attention paid to what can best be done at multi-lateral, Community, and Member State levels. These efforts do not need to be visible and formal, but they do need to be marshalled within the Commission, and undertaken as far as possible in relation with ad hoc Committee working groups.

The kinds of activity to be implemented are all but new: analyses, modelling, studies, development of indicators and league tables, validation of best practices, and accumulation of knowledge. What is new is the long-term commitment to reach a comprehensive common understanding of a policy issue, from its most conceptual dimensions (definitions and logic models) to the most practical ones (needs assessment method, indicators, best practices).

Promote integration proactively (see 5.2)

The Commission should draw a list of key policy issues which cut across policy areas. It should contribute towards framing these issues and monitoring the corresponding reforms in an integrated manner, i.e. with an aim to develop and promote multi-dimensional win-win solutions.

Better promote mutual learning (see 5.3)

The Commission's efforts to frame key policy issues should systematically be accompanied by knowledge-brokering activities. Such activities could on the current good practices such as the Mutual Learning Programme in the area of employment.

Knowledge-brokerage should take account of the various profiles of Member States, e.g.

- Member States willing to teach their good practices
- Member States having the willingness and the capacity to learn through bilateral contacts
- Less active Member States in which reform promoters should be offered a reinforced EC support.

Better legitimise reform promoters (see 5.4)

The Commission should seek to systematically strengthen the usefulness of the recommendations for reform promoters. In this respect, recommendations should be made country-specific and referred to consensual frames.

* * *

The evaluation also highlights a few **pending questions** (see 4.5), one of them being "how far can soft coordination be subject to a democratic scrutiny, knowing that political debates are meant to publicly challenge consensus, and that consensus is what makes soft coordination work?". This paradox should be kept in mind when reflecting on the cooperation between the three Community institutions.

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Acronyms

BEPG	Broad Economic Policy Guidelines
EG	Employment Guidelines
EMCO	Employment Committee
EPC	Economic Policy Committee
ESF	European Social Fund
IGP	Integrated Guideline Package
NRP	National Reform Programme
OMC	Open Method of Coordination

Introduction

This report¹ is structured in five parts as follows:

- The IGP and the associated coordination process – description of what is evaluated
- The evaluation – short description of the evaluation method and its limitations²
- The evaluation team's answers to the questions asked by the Commission in its terms of reference
- An overall assessment of the guidelines and the associated coordination process, including conclusions and lessons learnt
- The suggestions.

Appendices include a series of important methodological comments, plus bibliographic references.

The attached CDROM includes the evidence base, i.e. summary of inception interviews, country fact sheets, summary of the interview survey, and case study monographs.

1. The IGP and the associated coordination process

The next pages describe successively:

- The origin of the guidelines and the history of the coordination process in the context of the Lisbon strategy
- The content of the guidelines
- The current coordination process
- The logic of the intended effects

Many terms are used in the available documents with relatively close meanings. The table 1 hereafter defines the main terms used in this report, i.e. guidelines, coordination process, soft coordination instrument, and Lisbon strategy.

1.1. The Lisbon soft coordination instrument

The roots of the Lisbon strategy can be traced back at least to the publication of the "strategy of cooperation for growth and employment" in mid-1992, and the subsequent first issue of the Broad Economic Policy Guidelines in 1993 (BEPG).

The Amsterdam Treaty of 1997 gave the Council competence to set out recommendations upon which Member States were required to act in the area of employment policies. In the same year, a special summit in Luxembourg developed the first set of employment guidelines (EG).

¹ In addition to this report, the evaluation team has delivered the following documents: fact sheets describing the Lisbon governance arrangements in Member States, consolidated findings of the interview survey, four case study monographs, visual presentation of the evaluation.

² The evaluation method is further explained in Appendix A.

Table 1 – Terms used in the report

<i>Term used</i>	<i>Related terms</i>
Integrated Guideline Package, IGP or just the guidelines when there is no ambiguity	
[Lisbon] coordination process	... or governance system, coordination arrangements, mechanisms, ...
[Lisbon] soft coordination instrument i.e. the guidelines and the coordination process	... knowing that the Open Method of Co-ordination (OMC) and its various forms are other soft coordination instruments
Lisbon strategy i.e. the strategic objectives and the soft coordination instrument	... or the EU strategy for growth and employment

Over the following years the BEPG and the Employment Guidelines were subject to separate coordination processes. Born from the experience gained in the areas of economic and employment policies, the coordination process was subsequently extended to a range of other European policies (e.g. information society, research, education) with various combinations of soft and hard ingredients. Soft ingredients include consensus building, mutual learning, stakeholder involvement, and free design of national agendas. Harder ingredients involve “naming and shaming” mechanisms such as quantitative benchmarks, league tables, peer reviews, and recommendations.

Employment was the policy area in which the approach was applied in the hardest way. The outcomes were assumed to be satisfactory³. There was however been a growing realisation among both Member States and the EC that naming and shaming had gone quite far⁴ and that Council and Committee members were reluctant to exert pressure one on another⁵.

At the time, there was also a growing demand for harmonising the two processes (BEPG and EG), including from the European Parliament. The Commission undertook to prepare a reform merging both coordination systems.

Economic and employment policies were first combined in the Lisbon strategy (March 2000), together with an environmental dimension. The Lisbon Council also introduced the term Open Method of Coordination (OMC) as a “means of spreading good practice”, achieving greater convergence towards the main EU goals, and “help(ing) Member States to progressively develop their own policies”.

In 2004, a review⁶ of the Lisbon strategy criticised the implementation of the OMC in the following terms: “Member states do not take ownership of Lisbon and the Commission is not prepared to name and blame those that fail”.

In the 2005 Spring European Council, EU leaders decided to renew the Lisbon strategy for the 2005-2008 period and to improve the coordination arrangements. The main changes were:

³ A series of country evaluation reports was summarised in the following synthetic statement: “Although there is limited explicit recognition in the [country evaluation] reports, it can be assumed that from 2000 onwards the recommendations have supported a process of convergence” of labour market reforms (EC, 2002, p.5).

⁴ DG INFOSO (2005) Analysis of Impacts of Benchmarking and the eEurope Actions in the Open Method of Co-ordination (p.5).

⁵ Interviews at the Commission.

⁶ Group of experts led by the former Dutch Prime Minister Wim Kok.

- a new governance structure with clearer responsibilities
- a focus on partnership, with an aim to foster ownership in the Member States⁷
- a smaller⁸, simpler and integrated set of guidelines covering employment policies plus macro- and micro-economic⁹ policies
- a single coordination process merging the previous ones¹⁰.

In the 2006 Spring Council the Lisbon strategy was further prioritised, with a focus on four areas where reforms were urgent:

- Investment in knowledge and innovation
- Release of company potential, particularly small and medium-sized enterprises
- Increase of job opportunities for young people and promotion of active ageing
- Development of an efficiency and regulation policy for the energy industry.

This evaluation assesses the design and implementation of the 2005 reform, with a view to the larger picture of Member State coordination over the last ten years.

1.2. Content of the guidelines

The Integrated Guideline Package consists of three clusters (macro- and micro-economic issues, and employment issues) of six to ten guidelines each. A guideline describes from one to five types of reform to be undertaken in a given policy area¹¹. Reforms are described in a broad rather than specific way (e.g. "reinforce pension, social insurance and healthcare systems to ensure that they are financially viable, socially adequate and accessible"). Each guideline is introduced by a short text justifying the reforms in terms of their contribution to growth and employment.

The sixth guideline is devoted to the Euro area and has a special status in that it "presses forwards" the Euro area countries to implement the 23 other guidelines rather than introducing specific reforms.

Most guidelines are expressed in terms of reforms, with the exception of guideline 17 which is a target: "to achieve an average employment rate of 70% by 2010".

1.3. Coordination process

1.3.1. Coordination activities

The coordination process is structured in three-year cycles. The current cycle started with the adoption of the guidelines in June 2005, followed by the formulation of the National Reform Programmes in October 2005. The

⁷ This wording shows that a soft stance has been preferred, despite the criticism of the Kok Report.

⁸ 24 guidelines instead of about 100.

⁹ Including environment.

¹⁰ Although the two instruments still have distinct legal bases.

¹¹ Through a systematic reading, the evaluation team has identified 68 types of reform in the set of 24 guidelines.

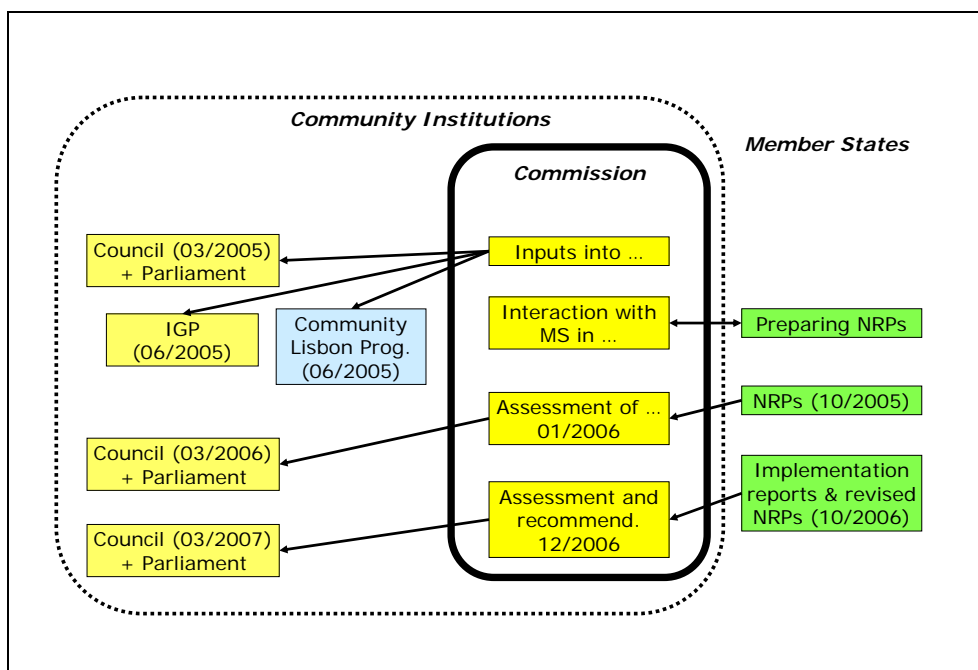
Commission provided assistance to many Member States in this formulation phase, and continues to do so in the implementation phase.

In their documents the Member States highlighted key challenges (six challenges on average per country), and priority reform commitments. Member States may revise their Reform Programme, which sometimes happened in the months following deep political change.

This process was mirrored at European level with the Community Lisbon Programme adopted in June 2006.

Every year in October the Member States deliver their Implementation Reports which are then discussed in a series of "multilateral surveillance" meetings. The collective review of a country report is typically devoted to a one-hour time slot in a working session in each Committee (Economic Policy and Employment Committees).

Figure 1 – Coordination: a shared responsibility



The Commission then prepares its annual progress report, and a series of draft recommendations and 'points to watch'¹². These recommendations are discussed with Member State representatives, either bilaterally or in Committee meetings (typically five to fifteen minutes per country). The report and the draft recommendations are then discussed by the Parliamentary Committees¹³ and submitted to the Council for endorsement in its spring meetings. Recommendations are often quoted and discussed in the media.

¹² In 2006 there were 50 recommendations (two per Member State on average) and 133 points to watch (five per Member State on average). Hereafter the term 'recommendation' will be used more broadly, including points to watch.

¹³ Formal opinion requested on the employment part only.

As shown in Figure 1, the Commission is partly responsible for the coordination process at all stages, together with other Community institutions and Member States.

In addition to this structured coordination process, the Commission and/or the Committees organise ad hoc work groups, peer reviews, and mutual learning events¹⁴. In the area of employment, such activities are supported by the Mutual Learning Programme¹⁵ which includes (1) bi-annual EU-wide thematic seminars on key challenges or policy priorities, (2) peer review meetings in individual Member States on specific policies and measures, and (3) follow-up and dissemination activities involving a broader group of national stakeholders.

1.3.2. Players and stakeholders

Prior to the 2005 reform, a number of DGs were involved with soft coordination processes. They all remain active in the current coordination system, including through their desk officers in contact with individual Member States. The whole system is coordinated by the Secretary General.

The Parliament takes part in the process, especially through its Committee on Employment and Social Affairs (which is formally consulted every year), and its Committees on Economic and Monetary Affairs.

The representatives of the Member States attend the various levels of coordination meetings: Council, committees, working groups and peer review meetings.

All Member States have appointed a National Lisbon coordinator. Most of them (80%¹⁶) have contacts at ministerial level at least three times a year. Most Member States (80%) have a committee / group exclusively dedicated to Lisbon, which meets three times a year or more frequently.

Member States hold systematic consultations with national parliaments, regional authorities, and social partners. In 2005, the European Economic and Social Committee created a network involving national economic and social councils and other representatives of civil society. This network now plays a role in the coordination process¹⁷.

Finally, the wider public is informed in some Member States, generally not in a proactive way.

Experts are involved at all levels, including in a number of peer review meetings and work groups at Community level.

¹⁴ Some Commission services also publish indicators and league tables, e.g. [innovation trend chart](#) (EC, 2006a), but these activities are not subject to this evaluation.

¹⁵ Launched at the beginning of 2005 as a follow up of the former Peer Review Programme launched in 1999.

¹⁶ Source: Country fact sheets filled in by the National Lisbon Coordinators, available in a separate document. The analysis of these fact sheets show no significant difference between large / small and new/old Member States in terms of coordination efforts.

¹⁷ For instance through a survey of the coordination mechanisms put in place in the Member States, which was updated and completed in the framework of this evaluation.

Figure 2 – Players and stakeholders

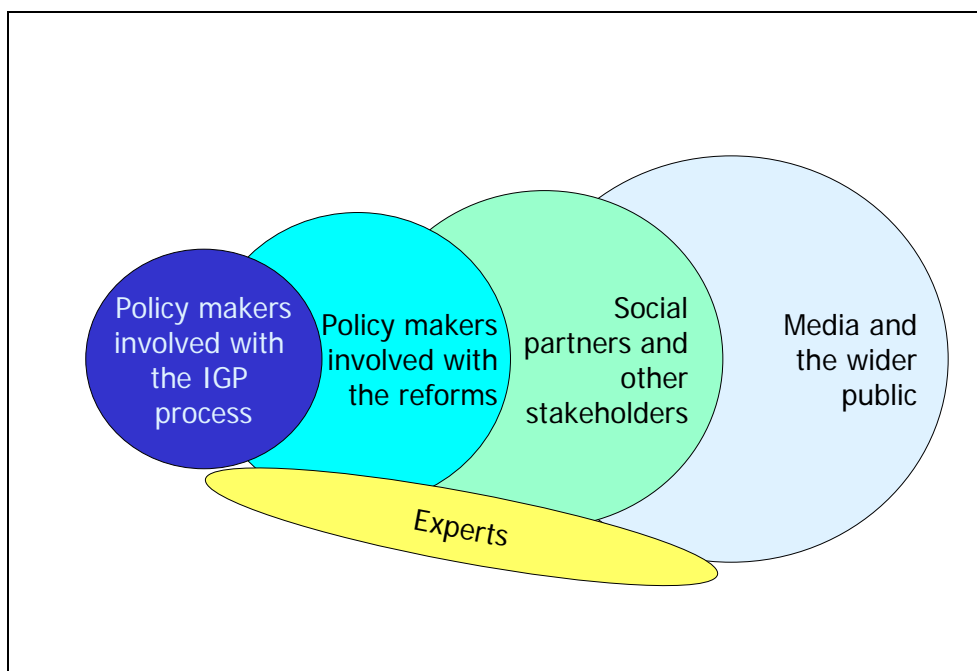


Figure 2 sketches a stakeholder analysis in five groups, as follows:

- **Involved policy-makers** i.e. EC officers in charge of the coordination system, national Lisbon coordinators, and representatives of the Member States in the committees and councils.
- **Other policy-makers** who take part in the design and implementation of the Lisbon-related reforms at EC and Member State level, but are not personally involved in the coordination mechanisms. This circle also includes members of the national parliaments and regional authorities.
- **Social partners** and interest groups.
- **Media** and the wider public.
- **Experts** and expert networks.

1.4. Logic of the intended effects

This section explains how the Lisbon soft coordination instrument is meant to achieve its intended effects. It is derived from an analysis of basic documents and from the evaluation team's inception interviews.

Following an insight into the rationale of the instrument, the logical assumptions are presented in four sub-sections:

- Soft coordination
- Enlarged ownership and public pressure
- Integration
- Complementarity

... and summarised in Figure 3.

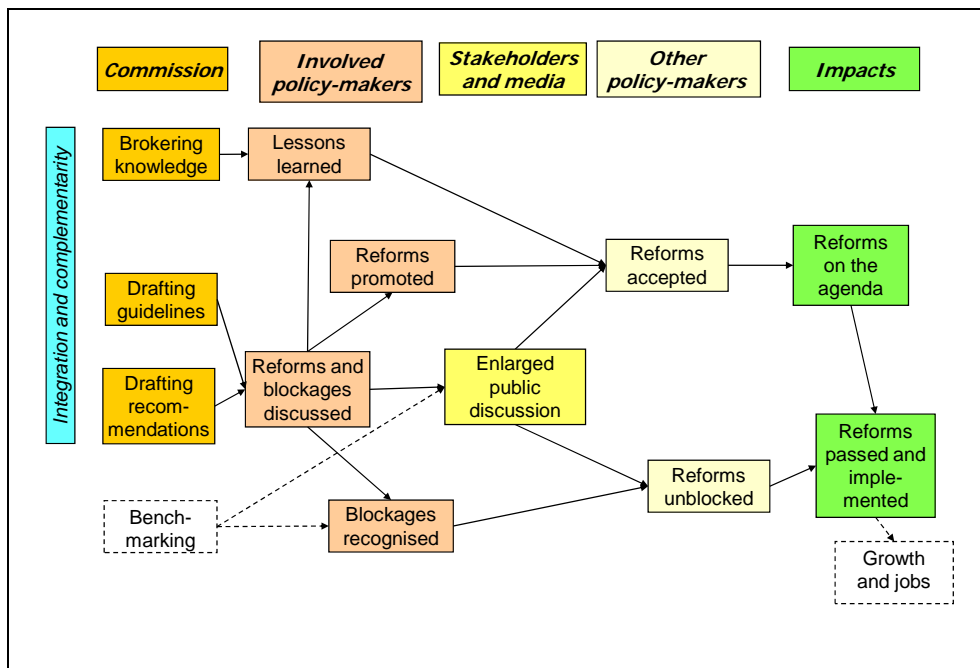
1.4.1. Rationale of the Lisbon soft coordination instrument

The overarching objectives of the Lisbon strategy are to make Europe a more attractive place to invest and work, base growth on knowledge and innovation, and create more and better jobs.

The rationale for a Community-level intervention was expressed in the Lisbon Strategy as follows: "European economies are interdependent. Prosperity in one Member State creates prosperity in others. Sluggishness in one Member State holds others back. Member States need therefore to regard their economic policies as a matter of common concern".

The strategic objectives are to be achieved through a soft coordination instrument "largely because the alternatives are either politically or pragmatically unacceptable. The great advantage of the instrument is that it allows for making some common policy without either hard law or full transfer of competence to the supranational level, with all the complications they entail. The instrument also embodies sufficient flexibility to adapt quickly, unlike hard law, and to take sufficient account of national differences"¹⁸.

Figure 3 – Overall logic of the soft coordination instrument¹⁹



¹⁸ I. Begg in EP 2006a, p.56.

¹⁹ A dozen successive versions of this figure have been drawn up by the evaluation team, until a satisfactory compromise was reached between: (a) a faithful account of the documents and inception interviews, (b) conceptual consistency, (c) simplicity. The assumptions are displayed in a logical order, which is not necessarily chronological. They are developed in this section in the context of Member States. Where needed, they may be adapted to the context of the Community, or to that of the regions.

1.4.2. Logic of soft coordination

This section describes the main cause-and-effect assumptions through which soft coordination is supposed to work:

Learning

- Involved policy-makers speak to one another and develop a club spirit; they exchange good practices and get acquainted with the lessons learnt elsewhere;
- The Commission boosts the learning process by playing a role of knowledge broker;
- The learning process shapes the reform projects.

Discussing reforms

- High-ranking policy-makers from the Member States and Community Institutions (involved policy-makers) participate in the coordination process (IGP, NRP, reporting);
- They develop a common understanding of the concepts and analyses associated with the guidelines, sometimes with help from the Commission;
- They feel personally committed to the coordination process;
- At their respective levels, they make substantial inputs in setting the reform agendas;
- Lisbon-related reforms are then accepted in the political arenas, and raised on the political agendas; this is not just compliance rhetoric, i.e. repackaging the existing reform agenda in Lisbon vocabulary.

Box 1 – Pressure: two definitions

Pagani (2002: 5-6) lists three elements which can create pressure on governments: “(1) a mix of formal recommendations and informal dialogue by the peer countries; (2) public scrutiny, comparisons, and, in some cases, even ranking among countries”; and (3) the impact of all the above on domestic public opinion, national administrations and policy-makers”.

In this report, the first point is called ‘**peer pressure**’. The concept covers the structured dialogue among peer countries ending in recommendations. The pressure may be exerted on the involved policy-makers, during the coordination meetings, and then transferred to other policy-makers in the Country.

The second point is called ‘**public pressure**’. The concept covers public scrutiny, league tables²⁰, and the reference to recommendations in the public debates. In this case, governments are subjected to the pressure of their domestic public opinion.

Peer pressure

- Where the mutual surveillance process indicates that a given reform commitment is partially or totally blocked, then the Commission drafts a recommendation or a ‘points to watch’;

²⁰ League tables, benchmarking, and ‘naming and shaming’ are no longer part of the logic of the soft coordination process. This is why the corresponding box is drawn in dotted lines in Figure 3.

- Involved policy-makers discuss the Commission's draft messages under the eyes of their peers; on their return in their country, they further promote the corresponding reforms;
- The reforms are then partially or totally unblocked.

1.4.3. Logic of enlarged ownership and public pressure

This section refers to stakeholders who do not belong to the governmental spheres (third and fourth circles in Figure 2). It contains two series of assumptions, as follows:

Enlarged ownership

- The guidelines are designed and reviewed through a process which involves stakeholder consultation, debates in the European Parliament, and multiple expert comments; the same applies to the reform programmes at all levels;
- The corresponding reforms benefit from a wider consensus; the process of developing, discussing, and passing the reforms is made easier and faster.

Public pressure

- Recommendations are widely disseminated and discussed in the public arenas;
- They are accepted as sound and legitimate by opinion leaders;
- Policy-makers are subjected to pressure from public opinion;
- Reforms are unblocked.

1.4.4. Logic of integration²¹

The 2005 Spring European Council decided to merge the economic and employment coordination systems into a single 'integrated' instrument. The concept of integration is therefore a key one for this evaluation. Its logic is defined as follows:

- The guidelines and the reform programmes are designed and monitored through a process which cuts across policy domains;
- Integrated solutions are developed; such solutions cover the entirety of the issues at stake; they address the negative incidence on those who are likely to lose out with the reforms, thus minimising and/or sharing losses;
- The process of developing, discussing, and passing the reforms is made easier and faster.

1.4.5. Logic of complementarity²²

The rationale for the whole Lisbon strategy is that "European economies are interdependent" and that "Member States need to regard their economic policies as a matter of common concern, and to work together to achieve economic reforms" (see 1.4.1). In this respect, complementarity is understood as the fact that Member States and the Community reforms

²¹ Integration is not a specific activity, but rather a principle that applies or should apply to all activities. This is why it appears on the left of Figure 3 in a way which cuts across the diagram.

²² As integration (see note 21) complementarity is a principle that applies or should apply to all activities.

complement and reinforce one another, each level focusing on areas where it adds value.

The logic of complementarity is defined as follows:

- The guidelines adequately cover the types of reform through which Member States and Community policies may complement one another;
- Community level contributions focus on what Member States cannot achieve effectively enough; Member States' reform commitments do not contradict one another; all reform commitments pursue similar or complementary objectives; they are likely to reinforce one another;
- The process of developing, discussing, and passing the reforms is made easier and faster.

2. This evaluation

This external evaluation was launched by the European Commission as an input into the renewal of the Lisbon strategy for the cycle 2008-2010. This is a formative evaluation, aiming to support organisational learning and to suggest possible ways to improve the substance of the guidelines if relevant, and the functioning of the coordination process.

This evaluation was carried out by an independent evaluation team and supervised by a steering group involving several DGs and the Secretary General. The steering group held five meetings over the course of the evaluation, attended by 10 to 15 EC officers. All the findings, conclusions, and suggestions proposed in this report have been discussed extensively.

The evaluation concentrates on nine questions selected and drafted by the Commission. These are listed and answered in the third part of this report. The questions assess the activities which are fully or partly under the responsibility of the Commission (see Figure 1).

In order to answer the questions, the evaluation team and the steering group agreed upon explicit success criteria. Most of such criteria belong to the family of effectiveness, i.e. actual achievement of intended effects. Broadly speaking, the Commission's activities are assessed positively if they contribute towards policy reforms at the Member State and Community level, in a way which is likely to better achieve the overarching objectives of the Lisbon strategy. The detailed success criteria associated with each question are stated in the third part of this report.

Defining success thresholds was a difficult issue. This is due to the fact that soft coordination instruments have not been extensively evaluated up to now, with the consequence that no benchmarks are readily available on the shelves (see Box 2). It has been decided that soft coordination is to be assessed positively if it speeds up and improves the reform process in a majority of Member States.

Most of the questions addressed in this evaluation involve cause-and-effect analyses, sometimes in a context of long and complex causality chains. Such a context does not lend itself to any kind of counterfactual reasoning. An alternative approach called "contribution analysis"²³ has therefore been applied. This approach follows the cause-and-effect assumptions made explicit in sections 1.4.2 to 1.4.5. All facts and opinions which tend to confirm or disconfirm these assumptions are then analysed on the basis of a step-by-step reasoning, which is submitted to systematic criticism²⁴ until it is assessed as strong enough

This evaluation is based on the following information sources:

- Documentary analysis (official documents, previous evaluations, expert papers)
- Database of key challenges and recommendations established by the European Commission
- Exploratory interviews within the Commission, the European Parliament, and a few Member States

²³ http://ec.europa.eu/europeaid/evaluation/methodology/index_en.htm

²⁴ The discussion of the successive versions of this draft report was an input into the analysis.

- Fact sheets describing the arrangements put in place by the Member States in order to manage with the IGP process²⁵
- Semi-structured interviews with policy-makers, experts and stakeholders reached through a snowball approach in 18 countries (70 interviews)
- Case studies analysing the influence of the IGP process on the reform agendas in four policy areas (better regulation, lifelong learning, ageing, and regulated professions), each area being studied at Community level and in four Member States²⁶.

The interviews and case studies were carried out between July and September 2007.

Box 2 – What is a successful soft coordination?

In the (scarce) evaluations of similar intergovernmental systems, the following success thresholds are applied²⁷: (1) one half or more of the Members rate a policy objective as being highly relevant, (2) two-thirds or more of the Members rate an output as being of high quality, (3) one half or more of the Members rate the instrument as having at least a medium contribution in terms of sustainable realignment of national policy.

This evaluation is mainly about inducing policy reforms. The evaluation team and the steering group have therefore agreed to consider as successful the fact that the IGP process has affected the reform agendas widely enough across Europe, the “one half” threshold being applied for assessing the **breadth** of such an influence.

Policy-making is the result of a complex array of national and international forces. In such a context, the **depth** of influence that may be exerted by a soft coordination instrument is inevitably limited. This evaluation has adopted the view that soft coordination may be considered as successful, even if it has had an incremental²⁸ influence on the reform agenda (e.g. improving quality) rather than on inducing new reforms.

Speed is also an important dimension of the success since “time is of the essence for the credibility of the Lisbon Strategy” (Sapir, 2007). It must however be recognised that reforming a wide range of policies across Europe is a process which cannot be anything but long. For instance, the current unfolding of the flexicurity concept is a 10-year-old yet still not fully mature story. How can the medium-term perspective of the guidelines and its three-year cycle fit into the long-term process of changing minds and institutions across countries? This evaluation has adopted the view that the success of the IGP is very much about accelerating the pace of on-going reforms.

²⁵ Fact sheets could be established for all Member States except the UK.

²⁶ The evaluation team thus had sixteen opportunities to analyse the impact of the guidelines on policy-making. These analyses are called “country studies” hereafter. In a few instances, two case studies include country studies in the same Member State, which results in the fact that thirteen Member States only are covered.

²⁷ OECD, 2007.

²⁸ Another term for “medium”.

3. Answered questions

3.1. Relevance of the guidelines

Question

Do guidelines cover the most pertinent issues within the three policy strands? Are there policy dimensions which have too much or too little weight in the guidelines?

Approach

This question is to be answered positively if the guidelines address the most important challenges as perceived by policy-makers and stakeholders, if they do not exclude any major challenge, and if they do not over-weight challenges that are perceived as minor ones²⁹.

This question is answered through interviews, documentary analysis and case studies.

Evidence of over- and under-weighted issues

The inception interviews (mainly carried out in the **Commission**) suggest that some issues may be under-weighted, i.e. low carbon economy, energy, social cohesion, and flexicurity. One of the interviewees called for raising the profile of the social dimension.

The European **Parliament** has recently stressed the need “to direct the competitiveness of European economies even more strongly towards an intelligent and sustainable economic process, ... in particular looking into environmental compatibility, promoting a more active policy of ecological sustainability (which would go beyond the scope of energy policy), opening up new areas of employment, and being more committed to developing lifelong learning”³⁰. “There is also some danger in the perception – even if it is not strictly accurate – that the Lisbon agenda now neglects the social dimension”³¹.

One third of the **interviewees in the Member States**³² expressed the view that some issues are under- or over-weighted. Some interviewees said that economic challenges are over-weighted (4 interviewees), e.g. “there is strong emphasis on the monetary issues. The economic part as a whole is heavily weighted”. Similarly, some interviewees consider that the economic dimension of the reforms is not connected enough to the other dimensions (3). For instance, it is claimed that stability, a major issue in macro-economic guidelines, should be more closely linked to economic growth and employment. Another respondent considered that a better synergy should be sought between employment and economic issues.

To a lesser extent, some interviewees think that the guidelines over-weight the issues of flexicurity and participation of women and the elderly in the labour market.

²⁹ Another option would have been to assess the relevance of the guidelines in terms of their potential contribution to growth. This reasoning has already been developed in a few policy areas, and the Lisbon Methodology Working Group (LIME) is currently developing it. Such an option would not have been practicable in this evaluation.

³⁰ EP 2007b item 12

³¹ EP 2006a p37, EP-2007a (31)

³² Evaluation team’s telephone survey – separate document.

Some other interviewees state that the following issues could be strengthened:

- Lifelong learning, entrepreneurship, employment (6)
- Climate change, energy and environment (3)³³
- Poverty, social inclusion, social dialogue (3)
- Research expenditures (2)
- Gender issue and equal opportunities (2)
- Migrations (2)

The integration of employment and economic guidelines has entailed some frustration for a few interviewees, mainly social partners and EMCO representatives, who consider that:

- The current guidelines constitute an impoverishment in terms of thematic coverage and monitoring compared to the European employment strategy (3)
- Attention should be paid to keeping employment at the very top of the EU agenda (2)

Evidence of overall stakeholder satisfaction

The expert papers reviewed for this evaluation show “a **consensus on the structural reforms** considered in the Lisbon strategy”³⁴.

According to the survey, 95% of interviewees consider that the **guidelines reflect the most important challenges** (yes: 67%, rather yes 28%). Nearly two-thirds of the respondents express the view that the guidelines are well balanced and cover all relevant policy areas, whilst being flexible enough to integrate each country’s specific situation. A typical statement is that the guidelines “are a good framework for action, and not a burden, and leave enough latitude for each country to weight the policy areas by itself”.

Evidence of specific Euro-area challenges

Although this issue has not been raised in the interviews, the relevance of Guideline 6 related to the Euro area deserves a special comment. In addition to this guideline, the Euro area is subject to a series of recommendations, but there is no specific reform programme, no implementation report, and nobody stands for the Euro area in the coordination process.

In fact, the 6th guideline does not promote any specific reform; instead, it emphasises a specific need to foster the whole set of structural reforms covered by the 23 other guidelines. This is in line with the many expert opinions which stress that the Euro countries share a specific need for structural reforms, e.g. “In a number of respects, the full participants in the Monetary Union differ from the rest of the EU. In a conventional setting, reforms that diminish cost-push pressures on inflation would, *ceteris paribus*, allow the monetary authority to set a lower interest rate, thereby holding down the cost of capital in a way that encouraged higher investment. A government that embarks on a reform programme can, consequently, anticipate a ‘reward’ in the form of a response from the central bank. Within the Euro area, however, the incentives are diluted, because the central bank reaction will be to the aggregate reform effort, such that if one member does not reform, it will still benefit from the central bank reaction to the reform efforts of others. The

³³ This issue is quoted in a majority of the expert papers reviewed and inception interviews carried out in the first phase of this evaluation. Surprisingly, it is mentioned less by policy-makers and stakeholders interviewed in the Member States.

³⁴ Bertoncini & al, 2007, p.26.

prospect of this sort of free-riding [calls for] Lisbon commitments to be made more binding in the Euro area"³⁵.

All these elements question the relevance of having packaged Guideline 6 along with the 23 others.

Evidence of challenges associated with the policy mix

Another issue needs to be addressed although it has not been mentioned in the interviews, i.e. the **relevance of the "policy mix"**. Some reforms are addressed by the soft coordination instrument only (about 50%), while others are addressed by stronger policy instruments in parallel, e.g. binding coordination (4%), expenditure programmes (26%), or hard regulation (20%)³⁶.

Among the four case studies, two involve such a policy mix (see Box 3). The case of lifelong learning shows a very consistent strategy in which the soft coordination instrument is used for leveraging an increasing part of the European Social Funds allocations towards priority reforms.

The case of regulated professions is less clear, but it could be understood as a use of the soft coordination instrument for popularising an issue which is going to be covered by some kind of hard regulation in the future.

Relevance: evaluation team's understanding

Among the various issues which are said to be under-weighted, only one has no room in the current version of the guidelines, i.e. the Parliament's demand for better promotion of ecological sustainability beyond the scope of energy policy.

The evaluation team understands that all other issues may more or less fit into the comprehensive and open framework provided by the current version of the guidelines.

Relevance may also be questioned in two additional ways: (1) was it coherent to have addressed the issue of the Euro area through a specific guideline? and (2) is it coherent to put all guidelines at the same level, whilst they are part of quite different policy-mix schemes?

Relevance: Evaluation team's assessment

Overall, the guidelines are relevant in that they can easily accommodate all policy developments, including most of the areas which are considered as under-weighted by various stakeholders.

There seems to be a coherence problem in the fact that all guidelines relate to specific reforms, except Guideline 6 which stresses the need for the Euro Area to implement reforms.

³⁵ I.Begg in EP 2006a p60

³⁶ Evaluation team's rough estimate.

Box 3 –Policy mix in two areas: lifelong learning and regulated professions

The issue of **lifelong learning** has progressively unfolded since the White Paper on teaching and learning published in 1995 (see also Box 7). At the time, the issue of “adaptability” was also subject to lively discussion in the context of the European Social Fund (ESF). ESF is of course a strong policy instrument in comparison with the guidelines.

Over the last ten years, the issue of learning from pre-primary to adult age has become more popular and the two instruments (Lisbon and ESF) have progressively been combined. This is highlighted in this evaluation in the examples of Estonia which has been keen to learn from Ireland on how to use ESF support for promoting lifelong learning, and Greece which has recently targeted one third of its ESF allocation to lifelong learning.

The issue of **regulated professions** is addressed within the competition policy, which has been a Community-level competency since 1957 and within the Single Market strategy since 1993. The European influence on national competition policies has steadily increased over the last few years, through a series of Commission impulses (major DG COMP reports in 2004 and 2005, and communications on compatibility between Community competition rules and the rules governing the professions), European Parliament resolutions on various professions (health, law, accounting, etc.), and directives on the mutual recognition of professional qualifications and free circulation of services across Europe. Aside from the Directive service transposition, Member States are required to build effective and independent national competition authorities.

The regulatory power at Community level in this area is still uncertain, and there is no evidence that its development has been connected to the Lisbon process. The soft coordination instrument could be used for popularising an issue which is going to be addressed through some kind of hard regulation in the future. This assumption is however challenged by the fact that the reforms of regulated professions are among the least successful ones.

3.2. Quality of reporting

Question

Has the IGP supported a more focused and harmonised approach to reporting by the Member States and the Commission?

Approach

This question is to be answered positively if the annual reporting process allows for clarifying which reforms are actually under way, in a manner which provides for transparency, accountability, comparisons, and evaluability.

This question is answered mainly through documentary analysis and interviews.

Evidence of harmonised reporting

Since the merging of the two previous sets of guidelines, Member States have to deliver a single annual implementation report instead of two. This is a task which requires more inter-ministerial coordination, but which is supposed to reduce the overall “reporting burden”.

The first reports delivered in October 2006 vary in size³⁷, structure and content. They reflect the key challenges identified in the national reform programmes, plus the main events having affected the reform agenda in each country. The fact that Member States may freely structure their documents in line with their national context is clearly a factor that lightens their reporting burden.

Some stakeholders, especially the Commission officers involved in the reporting exercise, state that they encounter difficulties in connecting reforms to guidelines and in assessing the progress of reforms. In some NRPs³⁸ key challenges and reform commitments are expressed in a way which is both evaluable and well connected to the guidelines. In contrast, many reform commitments are vague and loosely related to several guidelines, which makes them difficult to monitor and to compare³⁹.

This view is confirmed by the in-depth reading of the 24 implementation reports, undertaken by the evaluation team in order to map the arrangements put in place by the Member States for implementing the Lisbon strategy. Data available from the reports were so uneven that it proved to be impossible to draw a harmonised picture at European level⁴⁰.

This difficulty did not prevent the Commission from displaying a harmonised view of the progress of reforms across countries, in a short and well-focused way⁴¹. In this respect it must be said that a significant share of the reporting burden is carried by the Commission.

In October 2006 the Council created the Lisbon Methodology Working Group (LIME) which has met twice over the past year. The group has worked with the Commission on a proposal to simplify and harmonise reporting, while improving the quality of information provided. New reporting tables, endorsed by the EPC, were used in the 2007 round. The reports which were delivered at the date of the writing of this report are said to show "signs of greater harmonisation and also of a new commitment to direct policy towards objectives agreed throughout Europe"⁴².

Reporting: evaluation team's understanding

The implementation reports delivered in 2006 were clearly not harmonised. This did not prevent the Commission from presenting a harmonised overview in its annual report, but the lack of harmonisation is likely to undermine mutual surveillance since the progress of reforms is difficult to monitor.

In cooperation with the Council, the Commission has strived to improve the accuracy and comparability of reporting, apparently with some success.

³⁷ From 40 to 60 pages.

³⁸ See for instance the Estonia Reform Programme.

³⁹ Interviews within the Commission.

⁴⁰ Five reports provided no information on this issue, which was fully addressed in only two reports. For this reason, all Lisbon coordinators have been asked to fill in a specific country sheet in the framework of this evaluation.

⁴¹ As visible in the country sheets in COM(2006) 816 Implementing the renewed Lisbon strategy for growth and jobs, "A year of delivery" Part II Assessment of the National Reform Programmes.

⁴² EP 2007b

Reporting: evaluation team's assessment

A balance had to be found between the need for accurate and comparable reporting and the need to lighten the reporting burden. The latter was given priority in 2006, owing to the fact that each country was free to develop its own reform programme and to report in relation to its own challenges and priorities. To a certain extent, the evaluation team assesses this state of affairs as satisfactory because it increases Member States' ownership of their reform programmes, even if the Commission had to do the harmonisation exercise, thus carrying a significant part of the reporting burden.

A drawback of this approach is that it makes it difficult to monitor the progress of reforms, something which may undermine the functioning of the soft coordination instrument in the medium term.

3.3. Operationality of the guidelines

Question

Are the individual guidelines specified sufficiently for the purpose of practical policy-making?

Approach

As regards this question, success is defined as the fact that the guidelines are perceived as sufficiently specific and operational by those involved with the reform agendas and, more precisely, that they are easy to convert into or to connect with reform commitments.

This question is answered through the interview survey and the case studies.

Evidence of easy understanding

A finding of the survey is that 80% of the interviewees have never encountered any misunderstanding with the guidelines. At the date of the survey, about 90% considered the guidelines as **easy to understand**, e.g. "the way they are formulated leaves no room for misunderstandings and they exist for a long time now, so a lot of people are used to them". This general view is confirmed by the case studies in which only one occurrence of misunderstanding is reported⁴³ out of sixteen country studies⁴⁴.

Resolved misunderstandings are mentioned in the areas of industrial policies ("some countries want to protect their national company interests"), technology policies (difficulties with indicators), flexicurity, and research. Only a few respondents mention lasting misunderstanding such as: "the guidelines mentioning flexicurity should be better clarified, as well as those addressing public finances".

Evidence of practical guidance

There is a widely-shared perception that the guidelines are written in **quite a general** way (10) and lend themselves to different interpretations between countries and between stakeholders (7). For instance, "they are easy to understand but since they are very general they are interpreted differently by the different stakeholders" or "when interpreting the guideline on flexicurity, trade unions emphasise security whereas business associations emphasise

⁴³ Guideline 18 in Germany (source: case study).

⁴⁴ The evaluation team recognises difficulties in understanding the respective scope of Guidelines 4 and 5.

flexibility". Countries tend to interpret the guidelines through their specific political and legislative context (3). In addition, some interviewees stress that the guidelines are so broad that almost any reforms can be argued afterwards as being supportive to the NRP (2).

Many interviews suggest that policy-makers do not really expect practical guidance from the guidelines, e.g. "in practice each Member State has its specific circumstances and these are so diverse that specific guidance for all these countries cannot be provided at the European level"⁴⁵. Only one interviewee stated that "the scope of the guidelines should not be widened, but rather deepened", supposedly with a view to making them more operational.

In contrast, a significant number of interviewees stress that they do not use the guidelines for practical purposes (10), e.g. "In fact in our day to day work, the guidelines are not very important. The priorities of our national programme are more important" or "we develop our national reform programme and afterwards we check whether it fits or not with the guidelines". In addition, it is said that guidelines are not a reference document because they are a synthesis of existing reforms (10).

Although many stakeholders do not require more operational guidelines, at least one major issue remains unclear⁴⁶: should guidelines focus on **reforms or reform outcomes**? Except for Guideline 17 ("Policies should contribute to achieving an average employment rate ... of 70 % ... by 2010"), most guidelines focus on intermediate reform outcomes (e.g. leveraging private R&D expenditure, ensuring the convergence and interoperability of information networks).

Some interviewees consider that guidelines would be easier to apply and to monitor if they were written in terms of policy reforms. Another view is that an excessive focus on functional reforms reduces the capacity of the coordination instrument to accommodate country variations. Such an approach would also draw attention away from those outcomes that are the very reasons why the system was created. Focusing on reforms instead of outcomes might entail a risk of "drawing a nicer and nicer picture of an unchanged reality".

Some stakeholders expect the coordination instrument to systematically rely on outcome indicators, e.g. "We need to look into indicators of what is changing in the field"⁴⁷.

Operationality: evaluation team's understanding

The guidelines are well understood by their intended users. They are written in a fairly general way which is not really operational for policy-making. The evaluation team understands however that the guidelines as such are not meant to provide operational guidance⁴⁸.

Most guidelines focus on intermediate reform outcomes rather than operational reforms. This approach has several benefits: it draws attention to the results which are the very reasons why the system was created, it accommo-

⁴⁵ Comment recorded in the Ageing case study.

⁴⁶ Interviews at the Commission.

⁴⁷ Interview at the Commission. This view is also strongly expressed by the European Parliament (EP, 2007a).

⁴⁸ Later on in this report, an alternative option is provided as to the role of the guidelines in terms of practical policy-making (see 4.2). In fact, what works is not operational guidance but consensual framing, i.e. providing policy-makers with concepts, analysis approaches, indicators, benchmarks, good practices, and logical models through which reforms are discussed and designed.

dates country variations, and it facilitates the development of outcome indicators which are awaited by many stakeholders.

Operationality: evaluation team's assessment

The format of the guidelines is generally consistent with their main function, which is to provide a framework for policy dialogue and to draw attention to intended results, rather than providing practical guidance.

3.4. Priority-setting

Question

Has the IGP allowed and supported priority-setting between various policy objectives at the national as well as the Community level? Has the IGP been supportive in addressing challenges at the national as well as the Community level?

Approach

As regards this question, success is defined as the fact that the guidelines are prioritised enough, and have actually induced prioritisation in the reform agendas.

The question is mainly answered through the interviews and documentary analysis.

Evidence of priority-setting

Are the guidelines prioritised? The answer is certainly yes, in quantitative terms, since their number was reduced by five in 2005, but it is less clear if their substance is considered because "the process of writing with several hands (Commission / Council) goes against focusing"⁴⁹. In fact, each guideline encompasses up to five types of reform, and the evaluation team has counted a total of 68 types of reform.

The wide range of policy areas covered is also said to have encouraged **Member States** "to derive a long shopping list of reforms from their reading of the guidelines", and "to focus on popular options like research expenditure targets" rather than on more difficult ones⁵⁰.

In fact the NRPs include an average of six key challenges, and the average number of recommendations is also close to six per country, which means that there is a *de facto* prioritisation.

The most actively discussed⁵¹ guidelines are:

- Open competition (n°13)
- Better education and skills (n°23)
- Life cycle approach to work (n°18)
- Adapted learning system (n°24)
- Greening the economy (n°11)
- Ageing (n°2)
- Better regulation (n°14)

⁴⁹ Inception interview, Commission.

⁵⁰ Inception interview, Expert.

⁵¹ Evaluation team's assessment on the basis of the number of challenges and recommendations. On this scale R&D (n°7) is only in the eighth position, although it is often quoted as one of the most "popular" issues.

The least prioritised⁵² guidelines are:

- Industrial base (n°10)
- Labour cost (n°4)
- Wage setting (n°22)
- Budgetary structure (n°3)
- Adjustment capacity (n°5)
- Information society (n°9)
- EU-wide market (n°12)

The actual priority-setting has been assessed in a European Parliament document in the following terms: "the reforms only respond to a limited extent to the present economic and employment situation, and in many cases such central tasks as innovation, job creation, energy supply, a sustainable environment and better law-making are still not adequately incorporated into an integrated reform agenda; even in the fields of boosting the employment rate and active employment policy, progress and reform efforts are moving less rapidly than in other fields" (EP 2007b).

According to the survey, 91% of interviewees consider that the reform commitments of their country are prioritised enough (yes: 68%, rather yes 23%), e.g. "yes, the most important issues are well placed on top".

How far this is due to the IGP process is another question. A number of interviewees refer to prioritisation as a national issue (10), e.g. "these reforms are within the national short-term priorities", "they reflect the priorities of the government", "the reform programme is more prioritised than previous ones but a lot would be done also without Lisbon", "all the national priorities are included in the IGP", "the guidelines are not the bible; they are a synthesis of existing reforms rather than a reference document".

Only two interviewees comment on the influence of the guidelines, which do not appear to have supported prioritisation⁵³: "our reform programme does not present for example our three main challenges and priorities, since we follow the structure of the guidelines" and "our reform commitments are rather prioritised but a difficulty arises from the fact that the guidelines are not very specific".

As far as the **Community level** is concerned, it is stated that the first 2004 version of the Community Lisbon Programme "looked like a Christmas tree" more than a well-prioritised document⁵⁴. Significant progress is visible in the subsequent 2005 version which sets out eight priorities:

- Supporting knowledge and innovation in Europe
- Reform of State aid policy
- Better regulation
- Services directive
- Completion of an ambitious agreement in the Doha Round
- Removal of obstacles to mobility
- Development of a common approach to economic migration
- Supporting efforts to deal with the social consequences of economic restructuring.

⁵² Guideline 6 (Euro area) excluded.

⁵³ The only contradictory view seems to be nothing more than compliance rhetoric: "we follow the EC priorities, so our reform programme must be prioritised".

⁵⁴ Inception interview, Commission.

The first year of implementation is presented by the Commission⁵⁵ in a rather well-prioritised way, with all but the last three above priorities being quoted.

Once again, the question must be raised of how much these priorities owe to the guidelines.

Prioritisation: evaluation team's understanding

The coordination process involves a de facto prioritisation in the case of Member State reforms, and the Commission has striven to prioritise the Community Lisbon Programme. The evaluation team understands that this prioritisation is owing to the coordination process and not to the guidelines per se.

Prioritisation: evaluation team's assessment

The coordination process has involved a 'de facto' bottom-up prioritisation which is congruent with the logic of soft coordination.

3.5. New issues

Question

Has the IGP helped to raise issues which would otherwise not have been addressed?

Approach

In light of the approach defined in Box 2, the term "helped" is understood as any influence, even incremental, that works towards having new issues addressed.

The evaluation team has however adopted a restrictive definition of the terms "new issue" and "addressed", as explained below.

The question is mainly answered through the case studies.

Evidence of addressing new issues

What comes closest to a "new issue" is the case of better regulation. The issue of reducing the administrative burden for the benefit of businesses appeared in the Netherlands and Scandinavian countries in the late 1990s. It was subsequently developed in the UK, and then formalised in Guideline 14. Countries like Germany and Poland embarked on the movement in recent years. Of all the country studies carried out in this evaluation, it is the most typical example of a "new issue" rapidly put on the reform agenda⁵⁶.

How has Guideline 14 contributed towards this change? Contradictory views are expressed (see Box 4), but the evaluation team understands that knowledge has been transferred from the European forerunning countries to Germany and Poland through international networks bypassing the Lisbon soft coordination instrument. The Community-level coordination has simply contributed towards improving the quality of reforms, something which cannot be qualified as "raising and addressing a new issue".

⁵⁵ Press release IP/06/1470 Date: 25/10/2006.

⁵⁶ Other issues are also said to be new, and addressed on the reform agendas, although this has not been checked by the evaluation team, e.g. flexicurity, one-stop-shop for business creation, and R&D expenditure targets.

In the other three policy areas under study, there is nothing like new issues popping up on the political agenda. On the contrary, most examples resemble those of ageing in Portugal and Slovenia (Box 5), which show a progressive reframing and restructuring of old issues rather than the sudden appearance of a completely new one. In both countries, the issue of “making pension schemes sustainable” was slowly reframed into that of “ageing”. Similarly, the issue of “vocational education and training” is progressively extended to that of “lifelong learning”⁵⁷ (see Box 6).

The evaluation team understands that the guidelines and associated coordination arrangements have made no contribution to reframing the ageing issue in Slovenia, and just a small contribution in Portugal. National politics were by far the most influential factor, and happened to block the reform agenda in the first country and to unblock it in the second. The case of lifelong learning in Greece (Box 6) is a very clear confirmation that national politics prevail on soft coordination. The case of regulated professions in Italy is even more obvious. The same idea is expressed by a German stakeholder in the case of better regulation in the following terms: “reform depends on the election cycle and not on the IGP cycle”.

Table 2 – New issues: testing the assumption

Ageing	Better regulation	Regulated professions	Lifelong learning	Assumption confirmed
DE	UK	GR	DK	yes
OS	NL	IT	EE	rather yes
SL	DE	IE	NL	rather no
PT	PL	FR	GR	no
				?

A cross-analysis of the four case studies and the sixteen country studies shows that this evaluation did not find evidence confirming the assumption that the soft coordination instrument caused new issues to be raised and addressed in Member States.

These findings are in line with the interview survey, in which several respondents stated that the IGP did not create any new challenges at national level (7), whilst the opposite view is never quoted.

New issues: evaluation team’s understanding

This evaluation does not reveal any example of a new issue raised on the reform agenda by the IGP process.

Although new issues might have been raised and addressed in other policy areas which were not scrutinised by the evaluation team, it is the team’s understanding that such an event would be rare, if not exceptional. First, truly new ideas percolate through expert networks much more rapidly than through lengthy intergovernmental arrangements. Second, reform agendas are either blocked or unblocked by national politics, and the soft coordination mechanisms are too weak in comparison to such a powerful factor for shaping the reform agenda. At best, it contributes towards facilitating and improving reforms when a window of opportunity is open.

⁵⁷ The distinction between the old and new frames still remain unclear for many interviewees.

Box 4 - The issue of better regulation in the Netherlands and Poland

The subject of better regulation appeared on the political agenda in the **Netherlands** in the middle of the 1990s when a study by the Ministry of Finance initiated a reform process that aimed at improving the quality of legislation and at creating a more competitive and less burdensome business environment. The Dutch Advisory Board on Administrative Burdens was established in 2000 as an independent non-political advisory body, and a target was fixed for the reduction of the administrative burden businesses have to cope with (10%, subsequently increased to 25%).

In the autumn of 2003, the Netherlands initiated the Standard Cost Model (SCM) Network together with Denmark and other Nordic countries, committed to measuring the administrative burden in a comparable way. The SCM made it possible to monitor the progress towards objectives (6-7% reduction in 2002, and 10% in 2007).

The Netherlands can be considered as the vanguard in the measurement and reduction of administrative costs: its experience has been analysed by the OECD and the World Bank Group; it has been transferred to the UK; the SCM-network has expanded to a dozen European countries; and last but not least, it has been a source of inspiration for writing the European guidelines (although it is said that the guidelines lack an explanation of how to achieve the objectives).

Activities associated with better quality of the regulatory environment have been undertaken in **Poland** since the beginning of 2000. A system of regulatory impact assessment (RIA) has been operating since 2001 owing to cooperation with the European Commission and OECD under the SIGMA Programme.

In February 2006, an Inter-ministerial Task Force for Modern Economic Regulations was established, followed by a Regulatory Reform Programme ("Business deserves Better") and Guidelines to Regulatory Impact Assessment adopted by the Council of Ministers a few months later. At the moment, actions are being taken to develop a system to measure the administrative burden, following the Dutch Standard Cost Model.

There are contradictory views about the contribution of the European soft coordination instrument. It is said that Guideline 14 and the Commission's assistance have been highly influential and have helped to improve the quality of the reforms passed recently. The opposite opinion is however strongly stated, i.e. "the reforms have nothing to do with the guideline"; "there is a lack of coordination between the European and the national level"; "Poland transfers knowledge through bilateral contacts" with countries like the Netherlands and the UK, and through several networks (SCM, high-level group of national regulatory experts, Directors of better regulation meetings, and the OECD).

New issues: evaluation team's assessment

With few exceptions, the soft coordination instrument does not raise and address new issues on the reform agendas, but this should not be assessed negatively if the success thresholds applying to this evaluation are considered⁵⁸ (see Box 2).

⁵⁸ "Soft coordination may be considered as successful, even if it has had an incremental influence on the reform agenda (e.g. improving quality) rather than on inducing new reforms".

3.6. Furthering the reform agenda

Question

Has the IGP been helpful in furthering the reform agenda at national as well as Community level?

Approach

This is clearly a key question which calls for the same type of assessment as the previous one, i.e. success is defined as an incremental influence on the reform agendas in a majority of countries.

The question is answered on the basis of the interview survey and the case studies in successive steps as follows:

- Shaping reform agendas, mutual learning, and peer pressure (see 1.4.2)
- Enlarged ownership and public pressure (see 1.4.3)

Evidence of shaping reform agendas

According to the survey, about 80% of the respondents stated that “policy-makers are committed to supporting the use of the guidelines in their country”. Does this statement reflect actual support or is it just compliance rhetoric? There is probably some truth in this statement since it is expressed in the same proportion by involved policy-makers (those who attend meetings in Brussels) and by other stakeholders (who are less inclined to using compliance rhetoric).

A significant number of interviewees (15) state that the guidelines shaped some discussion about the reforms, e.g.

- “They give the opportunity to discuss different problems linked to the social and economic challenges that the country faces”;
- “They ‘orchestrate’ actions at national level. Member States are inter-dependent; actions in one have an impact on others”;
- “They are very useful, they help understanding problems”;
- “Discussions and analyses carried out in the EMCO and EPC meetings generate a shared vision of the priorities and challenges, which affects national reforms”.

To a lesser extent, it is said that top-level policy-makers pay little attention to the guidelines, as they are rather general and do not add anything to the existing national debates (3), e.g. “they support the guidelines but it’s not their starting point ... many things in the guidelines are already set into our reform programme”.

A number of country studies confirm that the guidelines shape policy debates and the way reforms are prepared, even when their influence on the actual passing of reforms is limited (see Table 3).

For instance, in the case of lifelong learning, both Estonia and Greece designed their new strategies on the basis of the 2005 renewal of the Lisbon agenda. In both countries, the term “lifelong learning” and the associated indicator became publicly visible at that time, and are now part of public debate.

Table 3 – Reform agendas: testing the assumption

Ageing	Better regulation	Regulated professions	Lifelong learning	Assumption confirmed
DE	UK	GR	DK	yes
OS	NL	IT	EE	rather yes
SL	DE	IE	NL	rather no
PT	PL	FR	GR	no
				?

The case of ageing is a success story in the shaping of policy debates. All around Europe, the issue is discussed with reference to the concepts and indicators developed since the late 1990s in the context of the Lisbon process, e.g. “incidence of ageing in % of GDP in 2050”, and “% of people over the age of 55 in paid employment”. References are systematically made in the media to this type of thinking, even if the guidelines and coordination process are never quoted.

Overall, the picture is that policy-makers tend to promote policy reforms in their country, not only because they agree with the guidelines and have a feeling of ownership⁵⁹, but principally because they think of the reforms through the vocabulary and mindsets associated with the guidelines.

Evidence of mutual learning

About 70% of the interviewees in the survey stated that there had been some mutual learning. Statements are relatively balanced between “teaching others” and “learning from others”.

Learning seems to have been more important in social policy areas⁶⁰ as shown by the following list of quoted policy areas:

- Flexicurity (10)
- Labour market (9)
- Vocational training (3)
- Innovation vouchers (3)
- Regulatory impact assessment (2)
- Active ageing and lifelong learning (2)
- Disabled people (1)
- Innovation (1)
- Training for young people (1)

⁵⁹ This view is consistent with the one expressed in a recent document by the European Parliament: “Lisbon II so far seems to have succeeded in engaging the various actors to a considerably greater extent than Lisbon I” (EP 2007c p.32).

⁶⁰ An explanation seems to be the long-lasting and very active “Mutual Learning Programme” (see 1.3.1), but the evaluation team has not explored and checked alternative explanations.

Box 5 - The ageing issue in Portugal and Slovenia

The process of reforming the pension system in **Portugal** took a first step in 2000, with a law providing for a new financial model, a new reserve fund and a new pension scheme.

The year 2005 was a turning point: public expenditures were at their highest level, a new government was elected in March, the Stability and Growth Pact was revised, and the IGP was published. A committee composed of representatives of the Ministries of Finances and Labour was set up to assess the impact of the ageing population in a long-term perspective and to examine specific measures. Two major reforms were designed: the new National Employment Plan (2005) and the National Active Ageing Strategy (2006) including incentives for remaining in the labour market.

Portugal has been an active participant in the soft coordination mechanisms, and this is said to be "an element of pressure to raise the main problems, and to make efforts to overcome them". The key factors explaining the reforms have however been the change of government, the fact that the social partners and public opinion were aware of the emergency state of the social system, and the Growth and Stability Pact.

In **Slovenia** the pension system was on the political agenda throughout the 1990s, and was eventually reformed in 1999 by the "Pension and Disability Insurance Act" which includes a series of bonuses and penalties aimed at encouraging late retirement. Simulation exercises however show that the 1999 reform is unsustainable in the medium and long term.

In late 2006 the Commission recommended that Slovenia launch a new reform including additional incentives to postpone retirement age. Such a reform was prepared, but then delayed and significantly downsized.

The reasons for this disappointing outcome are threefold: (1) public opinion is not concerned with long-term unsustainability, (2) there is a powerful 'pensioner party' in the governing coalition and, last but not least, (3) the inter-ministerial coordination did not work effectively in this instance. These factors slowed down the reform process despite the interviewees' opinion that the IGP is "a useful tool ... that gives policy-makers an impetus to carry out reforms", and that the pressure for reform is strongly reinforced by the more binding Stability and Growth Pact.

What is learnt is typically a new concept (3), an interesting practice or a story which can be quoted in order to make reforms more legitimate and acceptable to opinion-makers and citizens (4).

There is no doubt that mutual learning is at work across Member States, but how far is it owing to the IGP process? Interviewees explain that they learn mainly through committee meetings and contacts with national Lisbon coordinators (13). Some respondents learned from the material prepared for committee meetings (2). Interaction is quoted more frequently as a learning channel (5), e.g. "informal moments during peer review conferences are crucial for learning".

Table 4 shows that mutual learning has occurred in a large majority of country studies.

Table 4 – Mutual learning: testing the assumption

Ageing	Better regulation	Regulated professions	Lifelong learning	Assumption confirmed
DE	UK	GR	DK	yes
OS	NL	IT	EE	rather yes
SL	DE	IE	NL	rather no
PT	PL	FR	GR	no
				?

The picture should however be qualified since the IGP process is a learning channel among others, sometimes a major one as in the case of Estonia learning from Ireland on lifelong learning (Box 6). In the same policy area, Greece is said to learn from the UK, partly because a number of Greeks studied in the UK and established lasting contacts between the two countries (Box 5). In the area of better regulation, Poland has learnt from the Netherlands mainly through expert networks, and marginally through the IGP process (Box 6).

In the area of ageing, Austria initiated mutual learning cooperation through a working group and a comparative study, and then continued the learning on a bilateral basis.

Overall, it is clear that the IGP process contributes towards learning, first because the Commission conveys examples of good practices, and second because work groups initiate connections between teaching and learning States, i.e. between the forerunners and those Member States which are lagging behind. There are however multiple other learning channels, the main alternatives being the expert networks.

Evidence of peer pressure

As stated in Box 1, peer pressure is exerted on the policy-makers attending the coordination meetings, and then transferred to other policy-makers in their country.

Several interviewees at the Commission consider that there is peer pressure when a Member State representative has to defend his/her country's position in a committee meeting (see 1.3.1.).

This is to be considered as an assumption, and to be submitted to further investigation since pressure on an involved policy-maker is not necessarily equivalent to pressure on his/her government⁶¹.

Several reviewed studies tend to minimise the role of peer pressure, e.g.

- “Committees such as the Economic Policy Committee and the Employment Committee can play a role [of peer review], but discussions with Committee members conducted in the course of this study suggest that they have only limited time to devote to NRPs and their follow-up. Moreover, the Commission’s bilateral contacts with Member States seem to have been quite productive. Overall, the impression gleaned is that peer review is fine in principle but hard to conduct in sufficient depth to be helpful” (I.Begg in EP 2006a p.58).

⁶¹ Interesting to note is the fact that about 70% of interviewees contributed to drafting the Reform Programme, and continue to sit on inter-ministerial Committees, but 40% only take part in public debates about the Reform Programme, and 30% contribute to designing specific reforms.

Box 6 - The issue of lifelong learning in Estonia and Greece

Estonia adopted the Adult Education Act in 1993 in order to establish the right to learn throughout a person's professional life, and to set the responsibilities of employers and the central and local governments in this respect. The issue reappeared on the political agenda in 2005 when the Estonian Strategy of Lifelong Learning⁶² was approved, together with a reform of the financing schemes that share training costs amongst employers, employees and the state. The European Social Fund has been identified as one of the key elements in successful implementation of the reform.

It is clear that the political debates have been shaped by the indicator used in the coordination process (% of adult working-age population having been involved in some learning activity over the last four weeks). Estonia is still far from the EU average, from the 12.5% 2010 target, and also from its own target of 10%.

The reform is also owing to an input from the Commission which, at an NRP preparation meeting in Tallin in 2005, outlined the need to increase lifelong learning. The meeting was attended by representatives of ministries, members of parliament, and representatives of the social partners. Among others, the Commission's comments were processed in a working group including several ministries (Social Affairs, Economy, and Finance), social partners and academic experts.

Estonia participated in the Education Committee work group on the Education and Training 2010 Programme, where it learned about the Irish practice of using Structural Funds to foster lifelong learning.

From the early nineties to 2003, **Greece** progressively developed its system of vocational education and training, with limited outcomes. It allocated around one third of its ESF funding in the 2000-2006 period to professional lifelong learning interventions. In 2005 the government passed a new law which was specifically meant to achieve an objective of 12.5% of working-age participation in lifelong learning by 2010.

The new Lisbon agenda was the background of this initiative and it gave support to the Government's policy initiatives in this field. However, due to the general elections in September 2007 and to the lack of a tradition of social partnership, no major initiative has been taken up to now.

Greek officials take an active part in the peer learning activities in the field of education and training 2010. The UK stands out as the country from which Greece is most keen to learn, not only because it is seen as one of the good performers in Europe, but also because many Greeks have studied in the UK and established lasting contacts with this country.

⁶² Still focusing very much on professional life, which is not really "life-long".

- “Based on our interviews with informants in DGs Enterprise, Education and Culture, Research, Information Society, and Employment and Social Affairs (and consistent with our interviews with informants in all 25 Member States and with academic experts), the OMC appears to facilitate the development of collegiate cultures among Member States, the Commission, and sub- and trans- national actors. Such collegiate cultures involve information-sharing, problem-solving, common objectives, joint action, mutual commitments, and mutual accountability; using a combination of indicators, benchmarks, targets, national action plans, peer learning and peer review. ‘Naming and shaming or faming’, through benchmarking mechanisms, where currently practiced, has tended as much to reinforce game playing and oppositional grand standing, as it has to promote desirable behaviour” (Tavistock in EC 2005a)

The interview survey included an open question on whether the recommendations addressed to the respondent’s country were going to change anything in terms of policy-making and, if so, what and how.

A significant number of respondents recognised some influence of the recommendations (32), e.g. “the reform of the labour disability act (2005) is owing to the comments made by the European Commission”⁶³, “recommendations are useful as reference points in countries where it is difficult to build political majorities due to the fragmentation of the political system”, “they lead to a higher awareness at national level”, “they are reviewed by the cabinet, and thus taken into account for decision-making at the highest level”, “they are going to influence the policy-making”, “they are giving orientations to the policy development”, “they will increase the dynamic of the reforms in all priority domains”.

Among the respondents who reject the idea that recommendations are effective (22), some provide the following explanations:

- recommendations are already acknowledged by the government and integrated into the reform process (7) e.g. “the points-to-watch often address topics which are also discussed in domestic policy-making, so when the reform agenda is changed it is not just because of recommendations of the Commission”;
- a reform process is heavy, very difficult to change, and depends on national political factors (2).

Finally, the case studies offer further opportunities to understand whether recommendations work at all (see Table 5). In most instances, peer pressure has played no role in the passing of reforms or has not contributed towards unblocking reforms. Subject to a further analysis of the exceptions (see below) the case studies do not seem to confirm the assumptions.

A first instance of peer pressure seems to be the case of better regulation in the Netherlands. In fact, this is a very specific story. Whilst the country was a forerunner in terms of monitoring the administrative burden (Box 4), there has been considerable resistance from civil servants at taking the necessary simplification measures. Thus, the European coordination mechanism was used by the government as a way to accelerate the implementation of a reform that had already been passed.

⁶³ This statement obviously refers to recommendations formulated before the 2005 reform.

Table 5 – Peer pressure: testing the assumption

Ageing	Better regulation	Regulated professions	Lifelong learning	Assumption confirmed
DE	UK	GR	DK	yes
OS	NL	IT	EE	rather yes
SL	DE	IE	NL	rather no
PT	PL	FR	GR	no
				?

In the case of ageing in Portugal (Box 5), an interviewee stated that Portugal’s active participation in the soft coordination mechanism has created “an element of pressure to raise the main problems and to make efforts to overcome them”. The fact that important Lisbon-related reforms were eventually passed is however explained by a number of important factors: first a change of government, but also a high level of awareness of social partners and public opinion about the emergency state of the social system, and finally the pressure of the Growth and Stability Pact.

It is the evaluation team’s view that these two exceptions do not really contradict the overall picture that the actual passing of reforms is driven by strong political forces which are not commensurate with the kind of pressure exerted by the soft coordination instrument.

This statement does not mean that the recommendations would be totally ineffective. On the contrary, they are repeatedly said to strengthen the reform promoters. For instance, in the case of ageing in Germany, it is said that they “do not induce change by themselves but serve as a further possibility for justification”. Again in the case of ageing, a Slovenian interviewee says that recommendations “do not cause embarrassment to policy-makers⁶⁴ but rather encourage them and give them an impetus to carry out reforms” (see Box 5).

Finally, the evaluation team’s understanding is that the recommendations do not really exert pressure on governments but rather reinforce the legitimacy of reform promoters, which makes a small difference in the array of forces driving domestic politics. When a political window opens for a reform, then this tiny force contributes towards accelerating the process, but it is not powerful enough to open a closed window.

This interpretation is congruent with all available evidence arising from second hand documents, interviews, and case studies, and especially with the fact that despite a very systematic search, this evaluation has not identified a single example where a recommendation would have played a role in the unblocking of a reform.

Evidence of enlarged ownership and public pressure

Another kind of pressure may be exerted through public opinion if the reforms, their progress, and the recommendations are widely discussed in public arenas (see 1.4.3 and Box 1). Enlarged discussion may also be effective through increasing public awareness of the need for reforms, and ownership of those reforms. These assumptions are tested in the next paragraphs.

First, the evaluation team considers that Member States have generally played the game of involving social partners, national parliaments, and re-

⁶⁴ ... and in fact could not unblock the reforms

gional authorities in the design and monitoring of their reform programmes⁶⁵. The recommendations are generally disseminated and commented on in the media. However, the overall visibility of the soft coordination instrument to the wider public remains very low⁶⁶.

A showcase of enlarged discussion is that of lifelong learning in Estonia (Box 6). In this country “all parties believe in the need to increase lifelong learning”, and this has much to do with meetings attended by representatives of ministries, members of parliament and social partners⁶⁷.

The openness of the coordination process is recognised by the European Parliament which “welcomes the involvement of the parliaments and social partners”, but “regrets the still weak visibility” of the coordination process (EP 2007 b). The lack of visibility is further commented on in a Parliamentary study in the following terms: “If the public at large is ignorant of the [Lisbon related strategies] (and the stark reality is that this is the case), then that same public is not likely to articulate demands on governments to do better”⁶⁸.

Does the fact that the coordination process is relatively open mean that reforms are facilitated and/or unblocked? The interview survey does not really help in clarifying this point. Only a few interviewees (3) mention that enlarged ownership and public pressure have facilitated the reform process. For instance: “the IGP process is positive for our organisation because we can base our positions on the criticisms of the Commission and on the comparison with other countries”; “the recommendations are reviewed in the national press and subsequently they are used as an argument for or against the measures implemented by the government”.

Similarly, the country studies do not clearly indicate whether the assumptions should be confirmed or not (see Table 6). The analysis is therefore deepened hereafter through a closer look at the four most significant country studies.

In the above-quoted case of lifelong learning in Estonia (Box 6) it is clear that an enlarged discussion has taken place and has played a role in the successful passing of an important Lisbon-related reform, although in conjunction with other factors⁶⁹. In this story, there is a strong ingredient of social dialogue which tends to confirm the assumption about the benefits of enlarged ownership. To a lesser extent, there is also a “public pressure” ingredient in that the political debates have been shaped by the indicator used in the coordination process (% of adult working-age population involved in learning activities), and by the fact that Estonia’s performance is poor as regards this indicator. However, benchmarking and league tables are not part of the current logic of the IGP process (see Figure 3) and, for this reason, this case is not retained as a confirmation of the “public pressure” assumption.

⁶⁵ During the preparation of the NRPs, the involvement of national parliaments and social partners was assessed as higher in the new Member States in comparison to EUR15, and higher in small Member States in comparison to large ones (Pisani-Ferry quoted in EP 2006a p.23). The analysis of the country fact sheets created for this evaluation show however no significant difference between large/small and new/old Member States in terms of coordination efforts.

⁶⁶ According to several interviewees and to the country fact sheets filled in by the National Lisbon Coordinators in the framework of this evaluation.

⁶⁷ The Commission promoted the issue in one of these meetings.

⁶⁸ I.Begg in EP 2007c p.32.

⁶⁹ Mutual learning and ESF subsidies.

Greece has also prepared reforms aimed at lifelong learning (Box 6) with contributions from the soft coordination process and from the European Social Fund. Contrary to Estonia, the outcome was however negative at the date of the evaluation survey. The reform remained trapped in domestic politics, partly because the country lacks a tradition of social partnership, even if social partners were to a relatively large degree involved in the Lisbon process.

Table 6 – Enlarged ownership and public pressure: testing the assumption

Ageing	Better regulation	Regulated professions	Lifelong learning	Assumption confirmed
DE	UK	GR	DK	yes
OS	NL	IT	EE	rather yes
SL	DE	IE	NL	rather no
PT	PL	FR	GR	no
				?

In the case of ageing in Slovenia (Box 5), the coordination process is assessed as “a useful tool that gives policy-makers an impetus to carry out reforms”, but the process of drafting a Lisbon-related reform could not really start. The reasons for this failure are to be found in domestic politics. The reform process remained blocked even if some public pressure could have been exerted through a very open involvement of partners, experts and members of the Parliament. This pressure was even reinforced by the more binding Stability and Growth Pact, with no positive outcome.

Overall, the evaluation suggests that the soft coordination instrument is generally implemented through an open dialogue in the Member States, which promotes an enlarged ownership and helps to create a country-wide consensus on the reform agenda.

As found in the previous section, this impact is once again a weak one. Soft coordination, even conducted in a widely open manner, does not seem to have the power to open the window when a reform is blocked by domestic politics.

The latter point needs however to be further investigated, and cannot be taken as a fully robust finding. As explained in Appendix A, the evaluation team did not equip itself with the investigation tools which would have allowed it to analyse the effects of the recommendations on domestic politics.

Reforms: evaluation team’s understanding

Considering this section as a whole, the evaluation team understands that the Lisbon soft coordination instrument induces an incremental impact in a majority of Member States, mainly through: framing policy issues, mutual learning, legitimising reform promoters, and enlarging stakeholders’ consensus.

Reforms: evaluation team’s assessment

Such an achievement is to be assessed as satisfactory, according to the success thresholds applying to this evaluation, as stated in Box 2, i.e. the IGP

process affects the reform agendas in more than "one half" of the Member States, at least incrementally⁷⁰.

3.7. Integration

Question

Question: Has the IGP process helped to enhance co-operation between institutions and to improve integration of reform policies at national and community level, including inside the Commission? Should specific policy guidelines be better integrated? If so, how?

Approach

"Integration" means that reforms address all the dimensions of the identified challenges, connect several complementary policy areas and rely upon win-win solutions.

This question is answered on the basis of the case studies.

Evidence of integration

Since the 2005 reform, the guidelines are said to be "integrated", which mainly means that several policy strands have been packaged into a single document. The coordination arrangements have also been unified⁷¹ and now include one single reform programme per country, a national Lisbon coordinator, and comprehensive implementation reports.

In the 25 Member States covered by this evaluation, the coordination arrangements involve systematic inter-ministerial work⁷². There are many instances where such arrangements have worked smoothly, including several examples where they are clearly owing to the European coordination system, at least in part. Typical examples are lifelong learning in Estonia (Box 6), and active ageing in Portugal (Box 5).

Integration is also progressing at Community level, not only because the management of the guidelines adds a lot of inter-service coordination to an already overburdened meeting agenda, but also because several DGs are now studying and evaluating the contribution of their policies towards achieving Lisbon objectives.

In this report, integration is however understood in a much more challenging way than just packaging guidelines and unifying coordination processes across policy areas. The idea is to generate win-win solutions covering all the dimensions of the policy issues at stake, and minimising and/or sharing the losses of those who are likely to suffer from the reforms. Understood in this sense, integration may apply to any given guideline, to a cluster of guidelines, and/or to a reform commitment (see 1.4.4).

⁷⁰ This assessment is not in line with that of I.Begg in EP 2006a p.56: "Yet if it is to add value to what national policies would achieve in its absence, the OMC must also encompass ways of altering what Member States would do in any case, and it is by no means obvious that the Lisbon II framework achieves this".

⁷¹ The system is said to remain "institutionally messy" since the coordination arrangements still have two distinct legal bases in the areas of employment and economic policies respectively. In particular, the Parliament is formally consulted on employment issues, and comments on its "own initiative" on economic ones.

⁷² Source: country fact sheets filled in by National Lisbon Coordinators.

Box 7 – Integration in the cases of ageing and lifelong learning

Ageing is a showcase of progressive integration of all dimensions of a cross-European challenge. The challenge was first addressed in its monetary dimension. In December 1999, prompted by the launch of the euro, the Economic Policy Committee established the Working Group on Ageing Populations, with a view to examining the consequences of ageing on economic stability, as long-term pensions commitments were equated to a public debt.

From 2001 to 2006, the Working Group issued a series of reports which progressively framed the challenge (magnitude of the pension problem in % of GDP in 2050) and the solution (active ageing). This was achieved through an interesting sharing of roles between the European and Member State levels. The Commission and the Committee meetings constantly focused on framing the concepts, methods and indicators which allowed Member States to assess their challenges and to think their policy reforms. Member States have been left full autonomy and responsibility to apply these tools in their own context, which has secured an excellent level of ownership and generated a great deal of inter-ministerial work.

The economic dimension of the ageing challenge progressively surfaced during this period, especially the connection between active ageing and growth.

In 2007, the German Presidency initiated a working group on active ageing in the Employment Committee. This new step is meant to integrate the social dimension of the challenge, which is being done in the form of knowledge transfer about active ageing reforms.

Active ageing is clearly an area where Member States develop win-win solutions, such as the Austrian bonus/penalty system providing incentives to work longer.

Integration is also at stake in the area of **lifelong learning**, which has started to gain prominence at the Community level as a social issue. The Commission first published a White Paper on teaching and learning (1995), followed by the European Year for Lifelong Learning (1996). The issue was progressively shaped until 2005: common framework, committee working group, indicators, emphasis on lifelong learning in the management of the European Social Fund. The Community Lisbon Programme included the establishment of the European Qualifications Framework, a key instrument for facilitating cross-border learning.

Several country studies have however shown that the coordination process has not gone far enough in this policy area (e.g. Denmark⁷³) because it still falls short of addressing the important issue of sharing the cost of learning between companies, tax payers, and learners. It seems that the economic dimension deserves further integration efforts.

Among the many policy issues which are mentioned in the guidelines, only a small number are “integrated” to a greater or lesser extent: ageing, flexicurity, making work pay, wage bargaining, skills development. One of them has been subject to an in-depth study in the framework of this evaluation, i.e. ageing.

The interview survey and the “ageing” case study confirm that this policy issue is a success story of integration. The issue first raised a monetary problem (monetary risk induced by public finance deficits in case of unsus-

⁷³ No specific advice is provided on the issue of sharing costs. “As a result of this, the impact of the guidelines is very limited”.

tainable pension schemes). The economic and social dimensions were progressively added over a ten-year period, up to the current point where integrated solutions are widely discussed, and increasingly accepted.

There is however a failure story among the investigated Member States, i.e. Slovenia (Box 5). Due to specific political difficulties, this country has not (yet) managed to set up a true inter-ministerial approach to designing reforms in relation to the ageing challenge, and this was quoted as one of the reasons why policy reforms were blocked. Of course, integrated approaches to addressing this ageing issue were not really being discussed.

The case study of lifelong learning shows an example where the policy issue continues to be understood and discussed in one of its dimensions only, at least at the time of the evaluation survey. In several countries⁷⁴, the corresponding guidelines and the coordination process are part of the social agenda, and said to be irrelevant or useless because the economic dimension is not paid sufficient attention, i.e. lack of guidance on how the costs and benefits of learning should be balanced and shared between social partners and taxpayers.

Integration: evaluation team's understanding

Integration is more than just a question of coordination. In order to make the reforms more acceptable, policy issues need to be thought, analysed, and discussed in a way which really integrates all their dimensions: monetary, economic and/or social.

It must also be kept in mind that such an integration process has taken ten years in the case of ageing, which may not be exceptionally long.

Integration: evaluation team's assessment

Considering the counter-example of lifelong learning, it is the evaluation team's assessment that the potential of integration as a means to accelerate and improve reforms is largely underexploited.

3.8. Complementarity

Question

Has the IGP process helped to recognise the Community (and euro-area) dimensions of reforms?

Approach

The "Community dimension" is understood as the fact that Member States pursue complementary objectives which mutually reinforce their effectiveness. In other words, Member State policies do not contradict one another. The Community also has to complement what Member States do, by focusing on what they cannot effectively achieve.

This question is answered on the basis of the case studies.

Evidence of complementarity

The case of active ageing illustrates complementarity quite well. The issue was raised in the late 1990s because it was a challenge to the future stability of the euro area (see Box 7). It was addressed at Community level in order to

⁷⁴ But the Estonia study is an exception (see Box 6).

ensure that Member States did not adopt free-rider behaviour, i.e. expecting monetary benefits from others' reforms without making sufficient domestic efforts.

The 'Ageing Working Group' of the EPC concentrated on framing the problem and developing a common analytical approach. Each Member State then developed its own diagnosis and reform programme, while referring to the common frame and thus achieving a successful complementarity. It is worth mentioning that the issue of ageing has been discussed throughout Europe in a way which gives very little visibility to the Lisbon coordination instrument, but which makes systematic use of the concepts, analyses, indicators and benchmarks developed through the coordination process.

The case of ageing should not be seen as the only right approach, even if it is a success story. This can be understood by considering the issue of better regulation, which shows a completely different way for Europe to collectively succeed in an area of reform which is of common interest. In this instance, the issue was first framed by a few Member States independently of the Lisbon coordination process. Only after a few years were complementary actions developed at Community level.

Box 8 – Complementarity in the case of better regulation

Assessing and alleviating the weight of the administrative burden is an issue on which the first cooperation at European level took place in 2000 through an initiative of the Netherlands and some Scandinavian countries. These Member States made a key contribution in naming and framing the concepts and indicators.

The ideas were then borrowed by the UK which went further in developing solutions that work. The group of forerunning European countries established a network which remains the main channel for transferring concepts and know-how to lagging Member States. An increasing number of Member States are now part of this network, which can therefore be qualified as being on a European scale, but not (yet) at a Community level.

The Commission has joined the movement recently with two distinct objectives: (1) facilitating the transfer of knowledge to lagging countries, and (2) addressing the big challenge of the indirect burden created by the transposition of European legislation into national laws.

Complementarity: evaluation team's understanding

There is at least one instance (ageing) in which the coordination process has shaped an appropriate response to a challenge that has a clear Community dimension, and even a Euro-Area dimension. A key element of this success story is the fact that individual Member States have been given as much responsibility as possible, the Community level having concentrated only on developing a common analytical framework.

This evaluation suggests however that there is no one best pattern of successful complementarity, but different stories of pragmatic adjustment of the various players' roles.

Complementarity: evaluation team's assessment

The four case studies show various patterns of complementarity, of which one is a success story. It is the evaluation team's view that the efforts towards complementarity are all but systematic.

4. Overall assessment, lessons, and pending questions

4.1. The guidelines are relevant enough

The 24 guidelines constitute a comprehensive and open framework which easily accommodates all important challenges related to growth and employment in Europe.

They are written in a fairly general way which is adequate for their main function, i.e. to provide a framework for dialogue and coordination. A pending question is however whether they should focus on functional reforms or on reform outcomes.

There is a general feeling that the guidelines do not need updating, even marginally, probably because the cost of a redrafting is perceived as too high in comparison with the expected benefits, for one or several of the following reasons:

- Negotiating a new set of guidelines would be resource-consuming
- Becoming acquainted with new or changed guidelines would be resource-consuming
- Changes would not be valuable because the current guidelines accommodate all policy priorities in the Member States.

4.2. The soft coordination instrument works, but not as intended

This section summarises the findings of this evaluation in a way which parallels the initial assumptions (see Figure 3). It is commented on hereafter in three points:

- Coordination is effective enough
- Consensus-framing plays a key role
- Pressure does not really work

Coordination is effective enough

This point refers to the central part of Figure 4

This evaluation confirms the assumptions that the soft coordination mechanisms are effective in fostering mutual learning, enlarging stakeholders' consensus, reinforcing reform promoters' legitimacy, and finally pushing reforms upward on the political agendas. Everything considered the instrument has had an incremental impact in a majority of Member States, which is what can reasonably be expected from such a soft mechanism.

Consensus-framing plays a key role

This point refers to the upper part of Figure 4.

Framing a policy issue implies the development of:

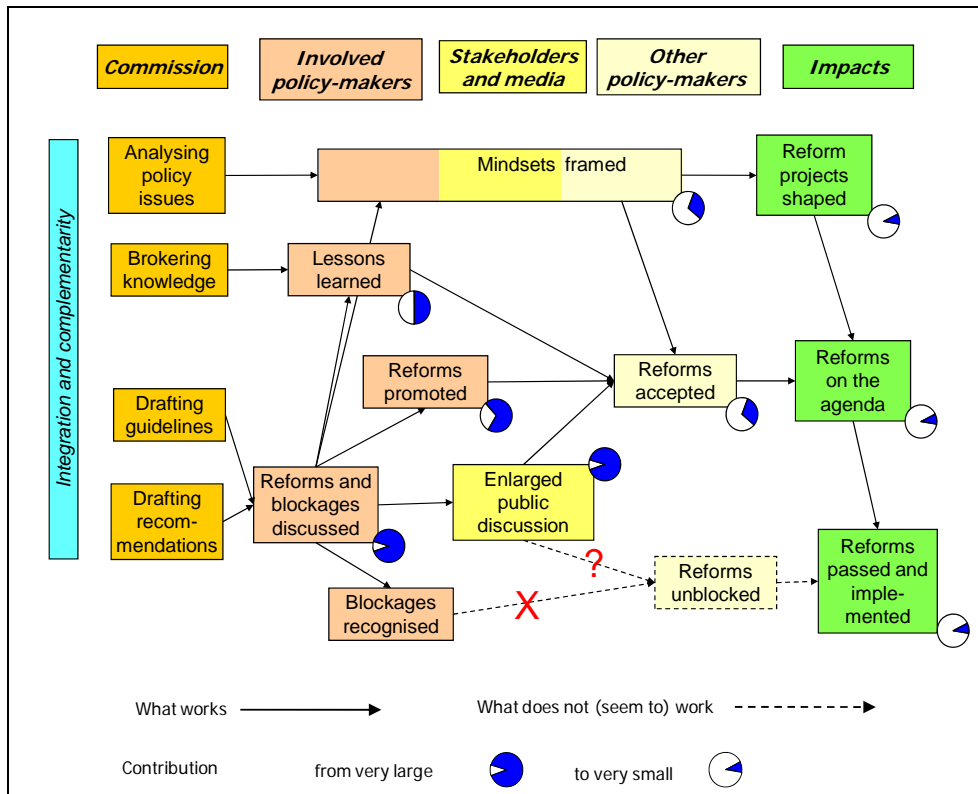
- the concepts through which the challenges and problems are identified and discussed
- the targets and indicators through which objectives are fixed and comparisons made
- a shared logic model⁷⁵ of which types of solution work or do not work

⁷⁵ A logic model is a set of cause-and-effect chains which connect a given type of reform to its intended outcome(s). The term has nothing to do with econometric modelling, an approach which aims at providing quantitative estimates of likely or actual outcomes, and which is increasingly used in the Lisbon-related analyses.

- a consensus on where the good practices are.

For the purposes of practical policy-making, the issue associated with a given guideline needs to have been properly framed⁷⁶. Reforms are facilitated considerably when there is consensus (most often implicit) on the frame.

Figure 4 – What works and what doesn't



The question of whether guidelines are operational enough (3.3) could therefore be understood in the following way: "Are the individual guidelines associated with sufficiently developed frames?" It is clear that the answer would be: "not all". It is also clear that the improvement of guidelines in this respect is not just a question of writing. On the contrary, this evaluation shows that it takes ten years or more for a policy issue to be framed in a way which is consensual and practical enough for policy-making.

The analysis of consensus-framing in the four case studies shows that frames may originate from very different spheres (Box 9). In the case of ageing, the process has taken place at Community level within the sphere of the IGP, i.e. in the Committees' working groups mainly. In contrast, the framing of the better regulation issue has taken place in another sphere at European level, but not Community level.

⁷⁶ The term "frame" is borrowed from Schön D.A. and Rein M. (1994) *Frame Reflection: Towards the Resolution of Intractable Policy Controversies*, New York: Basic Books. The authors state that framing is necessary to make a problematical situation intelligible. Frames typically convey a diagnosis and a solution in such a way as to make it seem obvious. "This sense of obviousness of what is wrong and what needs fixing is the hallmark of policy frames".

What needs to be considered now is the role of a third sphere, namely multi-lateral institutions such as the OECD, IMF, World Bank, ILO, etc. All four case studies show that these institutions have their own influence, sometimes through parallel soft coordination instruments (Box 10).

Box 9 – Framing the policy issues to be coordinated

The four case studies involved interviews with a number of players in thirteen countries, and it was striking to repeatedly hear about ideas such as: “all parties believe in ...”, “... is a sort of paradigm”, “... is a shared vision which is never referred to”, “... is shaped through an international consensus”, “ ... helped formalising our reflection and work”, “... helped policy-makers think differently”.

In the case of ageing (Box 7), the working group of the Economic Policy Committee started framing the concepts, methods and indicators which allowed Member States to assess their challenges. Then the German Presidency initiated another working group with a view to reaching consensus on solutions that work. The framing process started in 1999 and is now close to its finalisation.

In the case of better regulation (Box 8), the problem was first framed by the Netherlands and Scandinavian countries. These forerunners introduced the concepts, methods and indicators through which the reform agenda is now discussed throughout Europe. The UK then made intensive efforts to review and further develop solutions that work. Everywhere, consensus was sought through a series of international networks. The framing process started in 2000, and it will take a few more years to develop its Community dimension. Moreover, the case study shows that there is not yet consensus on solutions that work.

The lifelong learning case (Box 7) is closer to that of ageing in the sense that the issue was first framed at Community level, mainly by the Commission, which developed the key indicator. The process started in 1995, but a number of interviewees consider that it is not close to its conclusion.

International research networks and knowledge communities offer another place for framing consensus. The many country studies undertaken in this evaluation show only one instance of such an influence (Box 11). The role of research networks in shaping new concepts is probably very important but difficult to identify, especially because the case studies rely on interviews in, and documents on, the policy-making spheres.

Box 10 – Paying tribute to multilateral institutions

The issue of ageing was already subject to some kind of soft coordination under the auspices of the IMF in the early 1990s, i.e. almost ten years before it was addressed at Community level in 1999. Over the last eight years, the OECD has also run parallel and well-coordinated work on ageing, which obviously helped to frame the issue, although the Community-level process is understood to have made the strongest contribution.

Opening regulated professions to competition is an issue which has been addressed at OECD level as well as Community level. Whilst Community institutions apply a mix of hard and soft instruments (Box 3), the OECD relies on soft coordination exclusively. OECD influence is visible in Ireland where a reform is said to have been induced by an OECD recommendation.

The issue of lifelong learning is being actively discussed at Community level, but Europe is not the only sphere where this issue is being framed. One of the strategic objectives of the OECD Directorate for Education is the promotion of lifelong learning and the improvement of its linkages with society and the economy. The International Labour Organisation is also active in this area.

As seen in Box 8, the issue of better regulation has been framed by a group of forerunning European countries. It must however be added that the OECD paved the way by launching an analysis of the various regulatory regimes of its member countries at the beginning of the 1990s. "Recommendations for Improving the Quality of Government Regulation" were published in 1995, and constantly updated thereafter. SIGMA (Support for Improvement in Governance and Management), a joint initiative by the OECD and the EU, promoted better regulation in the new Member States as early as 1992. Finally, the World Bank's "Doing Business Project" deserves to be quoted because it shaped the concepts, indicators and rankings which are currently in use all over the world.

Box 11 – Paying tribute to international research communities

In Austria, the recent active ageing reforms were achieved through several channels that allowed an exchange of information. Trading knowledge has been especially intensive with Finland because several different academic institutes have close ties with that country.

Pressure does not seem to work

Some degree of pressure is supposed to be exerted when a Member State representative has to defend his/her government's position in a Committee meeting, and when recommendations are widely discussed in the domestic political arenas (see Box 1).

In fact, several information sources and analyses cast doubts about the effectiveness of pressure mechanisms. First, several available studies conclude that the specific effects of 'naming and shaming' are either marginal or negative. Second, the interview survey shows a relative balance between those who trust in the pressure exerted through recommendations, and those who don't. Finally, the case studies do not show any instance of peer pressure having unblocked a reform (see Table 5 and below).

The evaluation team's view is that mutual surveillance and recommendations are not likely to exert pressure on governments. By reinforcing the legitimacy of reform promoters, they make a small difference in the array of forces driving domestic politics. When a political window opens, then this tiny force

contributes towards accelerating the reform process, but it would not be powerful enough to open the window.

4.3. Pending questions

Informal consensus and political disagreements

The issue of regulated professions is surprising in that the soft coordination instrument applies to an area where stronger instruments have been available for years (see Box 3). This may be understood to result from a lack of European agreement on applying regulatory instruments.

Such an interpretation fits with the explanation provided by policy analysts such as Schäffer A. (2006) who states that soft coordination “is first and foremost a means to foster compromises in the absence of substantial agreements. ... International organisations have repeatedly relied on soft law to overcome disagreements among their members. The IMF, the OECD and the EU introduced soft coordination at times of institutional crisis to prevent a breakdown of negotiations”.

This view becomes surprising if it is connected to a key lesson learnt from this evaluation, i.e. consensus framing is a major channel through which soft coordination works. There seems to be a contradiction in the fact that consensus is the engine of a mechanism which is used in case of political disagreement. This contradiction may probably be resolved if it is rephrased as follows: if Member States need to address a policy issue in common, and if they cannot agree to do so within a **formal** regulatory framework, then soft coordination is an alternative. Soft coordination requires that the issue at stake be fully framed in a consensual way, but the consensus may remain **informal** to a large extent.

Informal consensus and political debates

Considering that frames “typically convey a diagnosis and a solution in such a way as to make it seem obvious” (see footnote 76), it can be assumed that soft policy coordination is effective as long as it is protected from the political debates.

This idea is also expressed in a Parliamentary document (I.Begg in EP 2006a p.63) in the following terms: “it is undeniable that the Lisbon strategy is predicated on a particular vision of how the EU economy ought to evolve. One of the mysteries of Lisbon is that this vision tends to be largely uncontested, with little attempt to put forward alternative visions or condemnation”.

How far can soft coordination be subject to a democratic scrutiny, given that political debates are meant to publicly challenge consensus, and that consensus is what makes soft coordination effective? This paradox should be kept in mind when reflecting on the cooperation between the three Community institutions, something which is repeatedly requested by the Parliament⁷⁷.

⁷⁷ ... regretting “once again that a clear plan and code of practice has still not been agreed between Parliament, the Council and the Commission, which would guarantee appropriate cooperation and the full involvement of the three EU institutions concerned in the appropriate further handling of the integrated policy guidelines as key instruments of the Lisbon Strategy” (EP 2007b 21).

5. Suggestions⁷⁸

The following suggestions are first expressed in a rather generic way that remains close to the findings, conclusions and lessons presented in the previous pages. At this level, the evaluation team feels legitimate to express its views firmly.

Suggestions are then converted into operational advice, for instance on Commission internal working methods. However, this step is a risky one since the evaluation team has only a limited knowledge of these issues⁷⁹. Detailed suggestions are therefore to be considered as inputs into internal Commission debates.

5.1. Continue and reinforce what works

The Commission does not need to propose a redrafting of the guidelines⁸⁰ or an in-depth reform of the coordination process for the following reasons:

- The guidelines are relevant in that they can easily accommodate all policy developments, including most of the areas which are currently considered as under-weighted
- The coordination process has involved a 'de facto' bottom-up prioritisation which is congruent with the logic of soft coordination
- The soft coordination instrument induces an incremental impact in a majority of Member States, something which is assessed as effective enough, according to the success threshold adopted for this evaluation.

The Commission should contribute towards strengthening the mechanisms which have been identified as effective, and which are far from being fully used, i.e.

- Framing policy issues
- Integration
- Mutual learning
- Legitimisation of reform promoters

⁷⁸ This section is called 'suggestions' rather than 'recommendations' in order to avoid confusion with the recommendations addressed to the Member States.

⁷⁹ This section has been discussed in a two-hour workshop attended by a dozen Commission officers.

⁸⁰ Redrafting or not redrafting the guidelines is an issue which has been controversial during the workshop devoted to discussing these suggestions. As seen in 3.1 the evaluation team's view is that the current drafting of the guidelines can easily accommodate many policy developments, including most of the points which have been considered as under-weighted by interviewed stakeholders. Only one issue does not easily fit in with the current version of the guidelines, i.e. the Parliament's demand for better promotion of ecological sustainability beyond the scope of energy policy. The evaluation team has also questioned the coherence of the guideline 6 related to the Euro area, which emphasises a specific need to foster the whole set of structural reforms covered by the 23 other guidelines rather than promoting a specific reform. Overall, the evaluation team does not feel legitimate to say that these two points would justify the heavy process of reaching an agreement on a new version of the guidelines.

5.2. Contribute more actively towards framing policy issues

Rationale for the suggestion

For the purpose of practical policy-making, and for the IGP process to be effective, the policy issues under discussion need to be framed fully, which means that a consensus should be reached, at least informally, on:

- the concepts through which the challenges and problems are identified, analysed and discussed,
- the targets and indicators through which objectives are fixed and comparisons made,
- a shared logic model of which types of solutions work or do not work,
- an agreement on the benchmarks and best practices.

Efforts towards framing a given policy issue need:

- to build on a proper identification and delineation of this issue
- to be sustained over a typically ten-year period
- to cut across DGs, European Institutions, and knowledge communities
- to take full account of parallel efforts made at other levels (multilateral institutions, networks, etc.).

Current situation

Policy issues are not systematically identified in the guidelines. Some of these cover several distinct policy issues (e.g. Guideline 8 on innovation). Conversely, some policy issues are common to several guidelines (e.g. wage development in Guidelines 4 and 22).

Policy issues are not always referred to in a stable and clear way in the soft coordination process.

Some policy issues are 'managed' by the Commission in the sense that an officer or a unit is recognised as having leadership in the area, and that resources have been repeatedly invested over the years⁸¹.

Main suggestion

The Commission should identify a dozen or more policy issues that are subject to a de facto priority in the coordination process. It should equip itself to manage the 'framing' of these issues in a long-term perspective and on an ad hoc basis, i.e. with much attention paid to what can best be done at multi-lateral, Community, and Member State levels. These efforts do not need to be visible and formal, but they need to be marshalled within the Commission, and undertaken as far as possible in relation with ad hoc Committee working groups.

The kinds of activity to be implemented are all but new: analyses, modelling, studies, development of indicators and league tables, validation of best practices, and accumulation of knowledge. What is new is the long-term commitment to reach a comprehensive common understanding of a policy issue, from its most conceptual dimensions (definitions and logic models) to the most practical ones (needs assessment method, indicators, best practices).

Operational suggestions

For each identified issue, the Commission could consider taking actions such as:

⁸¹ During the workshop devoted to discussing these suggestions, it was said that 11 policy issues were 'managed' to a greater or lesser extent.

- To nominate a "project leader"
- To allocate human resources to analysing the issue, and liaising with other institutions
- To play a proactive role in the multilateral arenas and knowledge communities where the issue is being framed
- To recommend the setting up of an ad hoc working group in the appropriate Committee, or a change in the mandate of an existing working group
- To review the policy issue at specific milestones, and especially to check (1) whether the issue is still given a de facto priority in the coordination process, and (2) whether the framing process is completed and, if not, which the remaining gaps are.

5.3. Promote integration proactively

Rationale for the suggestion

Integrated reforms address all the dimensions of the identified challenges, connect several complementary policy areas, and allow for win-win solutions to be developed, or at least solutions that share losses. When successfully achieved, integration accelerates the reforms by improving their acceptability.

Despite the use of the term 'integrated guidelines', and the fact that various policy areas are clustered in the same coordination process, the policy reforms under discussion are far from being systematically integrated.

Current situation

Each policy issue is typically under the responsibility of a DG.

Efforts are made to frame policy issues in an integrated way, but such efforts are all but systematic.

Main suggestion

The Commission should draw up a list of key policy issues which cut across policy areas. It should contribute towards framing these issues and monitoring the corresponding reforms in an integrated manner, i.e. with an aim to develop and promote multi-dimensional win-win solutions.

Operational suggestions

For each identified policy issue, the Commission could consider taking actions such as:

- Renaming the issue in a way which does not belong to a specific strand
- Referring to the issue in a consistent way in all documents arising from the various DGs concerned
- Drawing up a joint work plan involving the various DGs concerned
- Gathering the various DGs concerned in a monitoring group
- As far as relevant, recommending that the Committees twin some of their working groups.

5.4. Better promote mutual learning

Rationale for the suggestion

Mutual learning is one of the most effective mechanisms through which the coordination process achieves its objectives.

Effective learning occurs through various channels:

- proactive knowledge-transfer by the Commission
- Community-level contacts in the Committees' working groups
- bilateral contacts between teaching and learning Member States, often initiated through regular or ad hoc meetings in the framework of the soft coordination process.

Current situation

The Commission undertakes a number of activities targeted at mutual learning such as convening special Community-level events devoted to discussing good practices, or taking part in seminars in the Member States.

In the area of employment, the Mutual Learning Programme is allocated specific resources and given specific objectives in this area. This evaluation shows that it has made a difference.

Efforts to promote mutual learning are however uneven across policy areas.

Main suggestion

The Commission's efforts to frame key policy issues should systematically be accompanied by knowledge brokering activities. Such activities should draw inspiration from current good practices, e.g. the Mutual Learning Programme in the area of employment.

Knowledge-brokerage should take account of the various profiles of Member States, e.g.

- Member States willing to teach their good practices
- Member States having the willingness and the capacity to learn through bilateral contacts
- Less active Member States in which reform promoters should be offered reinforced EC support.

Operational suggestions

The Commission could consider taking actions such as:

- Continuing the Mutual Learning Programme and developing similar instruments in other policy areas
- Facilitating bilateral learning by promoting and supporting communities of knowledge across governments
- Providing ad hoc learning opportunities to reform promoters in some countries.

5.5. Better legitimise reform promoters

Rationale for the suggestion

Several voices claim that recommendations should be given more visibility in order to create public pressure on governments and to unblock reforms. The findings and conclusions of this evaluation do not clearly support these views. Are the recommendations useful at all?

Yes in that they contribute towards legitimising reform promoters, and towards progressively strengthening their position in the domestic political interplay. When a window of opportunity opens for a given reform, then previous recommendations become effective.

Recommendations need therefore to be prepared, discussed, and written in a way that optimises their potential use by reform promoters.

Current situation

Draft recommendations are prepared under severe time constraints. They are submitted to an internal quality check.

Main suggestion

The Commission should seek to systematically strengthen the usefulness of the recommendations for reform promoters. In this respect, recommendations should be made both country-specific and referred to consensual frames.

Operational suggestions

The Commission could consider taking actions such as:

- Learning from reform promoters how far past recommendations have helped or have been counter-productive
- Deepening country-specific analyses as far as relevant
- Systematically referring to consensual frames
- Adapting the quality assurance process in line with the above.

Appendix A – Methodological comments

The paragraphs below comment upon a series of methodological issues with an aim to reflect on whether or not they entail limitations in the robustness of findings and conclusions.

Logic of the soft coordination instrument

A first view of the logic of the IGP is shown in Figure 3 at the beginning of this report. It reflects the substance of the key reviewed documents and inception interviews. It is however a construct of the evaluation team and, as such, is exposed to various risks.

First, there was no such diagram available on the shelves at the beginning of this evaluation. The reviewed documents and the inception interviews revealed partial, implicit, and sometimes divergent conceptualisations of the intended effects of the IGP. The evaluation team had therefore to draw a picture featuring the 'average' understanding of the logic of the system.

The fact that the evaluation team was not familiar with the IGP prevented it from biasing the exercise towards its preconceptions. Moreover, the inception interviews and the reviewed documents covered the views of the Commission, of Member State representatives in the Committees, of a Member of the Parliament, and of independent experts. These views were therefore wide enough to prevent biases.

Two points in particular were debated on, and may need further clarification:

- Are league tables and benchmarking part of the logic of the IGP or not? These instruments were deliberately used by the OMC in the area of employment, but are no longer claimed as key elements of the IGP system.
- The concept of 'unblocking' policy reforms was also introduced by the evaluation team as the typical effect resulting from pressure.

The second view of the logic of the IGP is displayed in Figure 4 at the end of this report. It reflects the lessons learnt through the evaluation, i.e. mainly the key role of framing policy issues, and the limited role of pressure. Some readers may consider that this figure (rather than Figure 3) is what they actually had in mind at the beginning of this evaluation. This would mean that the evaluation has contributed towards formalising implicit knowledge rather than creating genuinely new knowledge – something which is far from infrequent.

Institutional bias

A wide majority of interviewees contacted through the survey and through the case studies belong to governments. Is it possible that their statements are systematically biased by their institutional position? The evaluation team and the steering group members have paid constant attention to such a risk.

The problem is particularly acute as far as pressure is concerned since a government could not formally admit to having acted under external pressure, even if this were true. Does this attitude also extend to interviewed government officials?

The evaluation team considers that this risk is limited, and this assessment is reached on the basis of two facts:

- A systematic comparison of the answers of government officials and other stakeholders does not confirm the bias

- The case studies do not show a systematic contradiction between governmental officers' opinions and facts (e.g. feeling that there has not been pressure, and finding that a reform has remained blocked).

Domestic politics

This evaluation has not uncovered any instance of public discussion of recommendations having exerted 'public pressure' to the point that it would have unblocked a reform. From that absence of evidence, the evaluation team deduces that public pressure does not seem to work. This statement is however fragile.

What has been observed is that reforms are blocked or unblocked by an array of forces which belong to internal politics. For instance, reforms which have been blocked for years are suddenly prioritized on the political agenda with the arrival of a new government.

This evaluation has not investigated domestic politics. As a consequence, it cannot exclude the assumption that some kind of external pressure may have interfered with internal political forces and, for instance, affected some electoral results, even marginally. This assumption could be tested by investigating a series of carefully selected case studies, but it was not tested in this evaluation.

The evaluation team's view that 'public pressure does not seem to work' therefore remains fragile.

Appendix B - Documents reviewed

European Commission (2002) Impact evaluation of the EES: Overview of technical analysis EMCO

European Commission (2005a) The Analysis of Impacts of Benchmarking and the eEurope Actions in the Open Method of Co-ordination

European Commission (2005b) Thematic Evaluation of the Structural Funds' Contributions to the Lisbon Strategy

European Commission (2006a) European Innovation Progress Report 2006 (www.trendchart.org)

European Commission (2006b) Annual progress report

European Commission (2007a) The European Interest: Succeeding in the age of globalisation COM(2007) 581

European Council / EPC (2007) Progress Report of the Lisbon Methodology Working Group

European Parliament / ECON (2006a) The Implementation of the Integrated Guidelines during the 2005/2006 Policy Cycle (by Prof I.Begg)

European Parliament / CEMA (2007a) Resolution on the Situation of the European economy: Preparatory report on the broad economic policy guidelines for 2007

European Parliament / CEMA (2007b) Resolution on the situation of the European Economy: Interim report on the Broad Economic Policy Guidelines for 2008

European Parliament / ECON (2007c) The Implementation of the Integrated Guidelines during the 2006/2007 Policy Cycle (by Prof I.Begg)

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