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

Final Report

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.

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

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.

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

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

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

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

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.

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

Continue

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

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

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

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

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.

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The evaluation also highlights a few ***pending question***, 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.