



Anne Schüttpelz

**Policy Transfer and Pre-accession
Europeanisation of the Czech
Employment Policy**

discussion paper

SP III 2004-201

March 2004

**Social Science Research
Center Berlin**

Research Area III:
Organizations and Knowledge

Research Unit:
Internationalization and Organization

**Wissenschaftszentrum Berlin für
Sozialforschung**

Forschungsschwerpunkt:
Organisationen und Wissen

Abteilung:
Internationalisierung und Organisation

Zitierweise/Citation

Anne Schüttpelz: Policy Transfer and Pre-accession Europeanisation of the Czech Employment Policy, Discussion Paper SP III 2004-201, Berlin: Wissenschaftszentrum Berlin für Sozialforschung 2004

ISSN-Nr.: 1011-9523

Kontakt/Contact:

annes@wz-berlin.de

Wissenschaftszentrum Berlin für Sozialforschung gGmbH (WZB)
Reichpietschufer 50, D-10785 Berlin
Phone: ++49 30 25491-0
www.wz-berlin.de

Abstract

In this paper, I will analyse the development of employment policy in the Czech Republic in the context of preparing for accession to the European Union while considering the current restructuring processes in future EU Member States from the perspective of Europeanisation and policy transfer. The first part of the paper presents some considerations about adequate conceptualisation of the recent adaptation processes in the EU accession countries. The second part presents research findings stemming from a study of employment policy transfer in the context of EU enlargement that provide some insights into current restructuring processes in the Czech Republic. On the basis of these case study findings, enlargement may be described as a mix of different Europeanisation modes and logics. These form the background of the restructuring of public policies and institutional structures in the context of the preparations for accession to the EU, even in a weakly integrated policy area such as employment.

Zusammenfassung

In diesem Papier wird die Entwicklung der tschechischen Beschäftigungspolitik im Rahmen der Vorbereitungen auf den EU-Beitritt untersucht. Ziel ist es, zu einem differenzierteren Bild über die Hintergründe der aktuellen Restrukturierungsprozesse in den neuen Mitgliedsstaaten der EU zu gelangen. Den Darstellungen über den gegenwärtigen Stand der beschäftigungspolitischen Entwicklung in der Tschechischen Republik werden daher Überlegungen zu den Kernaussagen des Policy-Transfer-Konzepts vorangestellt, das eine hilfreiche Ergänzung der Europäisierungsliteratur darstellt. Im zweiten Teil werden die Transferprozesse im Zuge der EU-Osterweiterung auf der Grundlage empirischer Ergebnisse aus der tschechischen Fallstudie veranschaulicht. Die Autorin konzentriert sich dabei auf die Herausarbeitung verschiedener Anpassungsmechanismen und ihrer sich ergänzenden Logiken. Insgesamt führten die Vorbereitungen auf den EU-Beitritt, selbst in einem relativ schwach integrierten Feld wie der Beschäftigungspolitik, zu einer Restrukturierung der nationalen Politikprozesse und Institutionensysteme.

Table of Contents

	Page	
1	Introduction	1
2	The policy transfer concept	4
3	The state of the employment policy in the EU	8
4	Transfer of the European Employment Strategy to the Czech Republic	12
4.1	The Employment Policy Review	12
4.1.1	<i>Labour market background study (Munich, Jurajda and Cihak 1999)</i>	14
4.1.2	<i>Joint Assessment of Employment Policy Priorities (JAP 2000)</i>	15
4.1.3	<i>Review of the JAP</i>	16
4.2	Development of the Czech employment policy during the pre-accession period	17
4.3	Assessment of the Policy Transfer	23
5	Conclusion	26
	References	28

1 Introduction

Like the other future Member States, the Czech Republic has been preparing extensively for entrance in the European Union (EU) during the last years. In the meantime, the EU has adopted the European Employment Strategy (EES), which – as a part of the *acquis communautaire* – must be fully accepted by both current and future Member States. Five years after its implementation, the impact of the EES on national employment policy in the Member States was evaluated (see Commission 2002), but not in the countries scheduled to join the EU this year.¹ The development of national employment policy may be studied by concentrating on the nature of labour market trends and challenges or by emphasizing the progress of political debate when addressing employment issues. In this paper, I refer to the logic of transferring policies and institutional arrangements from one political setting (EU) to another (the Czech Republic) as Europeanisation processes increase the relevance of international transfers for policy development. Thereby, the dynamics of the process of adaptation to the EES will be emphasized in consideration of the relevant pushing agents at the European level and pulling agents at the national level. While neither claiming the end nor the persistence of different national employment systems in the enlarged EU, I will show that the employment policy in the Czech Republic converged towards EU standards for a number of reasons.

This paper is based on the assumption that the European Employment Strategy arose from the recognition of a crisis in European social policies in the mid-1990s and was framed as an alternative governance approach to sustain and diffuse the European social model (see Mosher and Trubek 2003). The need for balancing economic integration by promoting social cohesion in the EU has always been discussed, especially when launching the Single Market. In the mid-1990s, however, two factors strengthened the demand for developing the social dimension of the integration project. On the one hand, it became obvious that the common, structural nature of the unemployment problems in the EU could not be adequately dealt with by simply promoting economic growth (as was still hoped in the 1988 Cecchini Reports). On the other hand, the monetary stabilisation policy pursued in the run-up to the Economic and Monetary Union (EMU) called for a more co-ordinated, employment-oriented policy response at the European level (see also Commission 2002). Following a func-

1 The European Commission recently published a report on the development of employment policies in the acceding countries (Commission 2003). However, it focuses on the progress of labour market reforms in the framework of the Joint Assessment Papers (JAP), i.e. on the commitments of the candidate countries in the course of the pre-accession strategy (see Part 3 of this discussion paper), but does not provide an impact evaluation.

tionalist approach to European integration, the EU's lack of competence and capacity for social policy became an obstacle to its economic activities. Still, as Scharpf (1997: 25) argued, the Europeanisation of social policy does not seem to lie in the institutional logic of the integration process: *"The European Union is capable of effective action only in areas which the major interests affected are either convergent or complementary. Such areas do exist... But social policy and welfare state are not among them."* Developed in the late 1990s, the EES is therefore based on a more flexible and participatory approach that reflects a shift away from the EU traditional top-down governance (see also Goetschy 1999).

Technically, the EES is based on the so-called "open method of co-ordination" (OMC), a procedure first developed to ensure a certain degree of convergence of economic policies among the Member States in the run-up to the European Monetary Union. The OMC comprises a voluntary adaptation of national policies by involvement in a multi-level process of benchmarking, multilateral surveillance, peer review, exchanges of information, co-operation and consultation. De la Porte, Pochet and Room (2001: 302) conclude in their analysis of the OMC: *"The OMC can be characterized as a 'post-regulatory' approach to governance, in which there is a preference for procedures or general standards with wide margins for variation, rather than detailed and non-flexible (legally binding) rules."* By avoiding centralised supranational governance, the OMC shall enable European politics to effectively deal with strong national diversity (see also Commission 2002). It should therefore help to overcome the institutional obstacles in European social policy: *"It could be said that the EES gives up the legal force of traditional regulations in order to allow the EU to deal with some core areas of social policy that were hitherto solely reserved for the Member States"* (Mosher and Trubek 2003: 71).

The type of social Europe to which this exercise will lead is still unclear. Although the European employment policy is still *"a policy area in a state of suspense"* (Tidow 1999), certain characteristics of the European Employment Strategy can be clearly identified:

1. The EES focuses on labour market policy regulation rather than stressing a strong connection to the macro-economic dimension.²
2. It emphasises employability, i.e. a supply-side strategy of preventing unemployment by activating the labour force.
3. The EES promotes and encourages the co-operation of different actors at all territorial levels while fully respecting the principle of subsidiarity.

2 The Broad Economic Policy Guidelines, the Cologne process (macro-economic dialogue), and the European Central Bank address important employment-related issues such as monetary, fiscal and wage policy at the EU level. Under the revised EES from 2003, the timing of the Economic and Employment Policy Guidelines is now better co-ordinated, ensuring greater consistency between both policy processes.

4. Although European Social Funds (ESF) priorities were aligned to the EES in 2000, the link between EES policies and their funding remains unclear.
5. The EES prevents debates about policy goals but supports the dissemination of “good practice” defined according to common standards of performance.

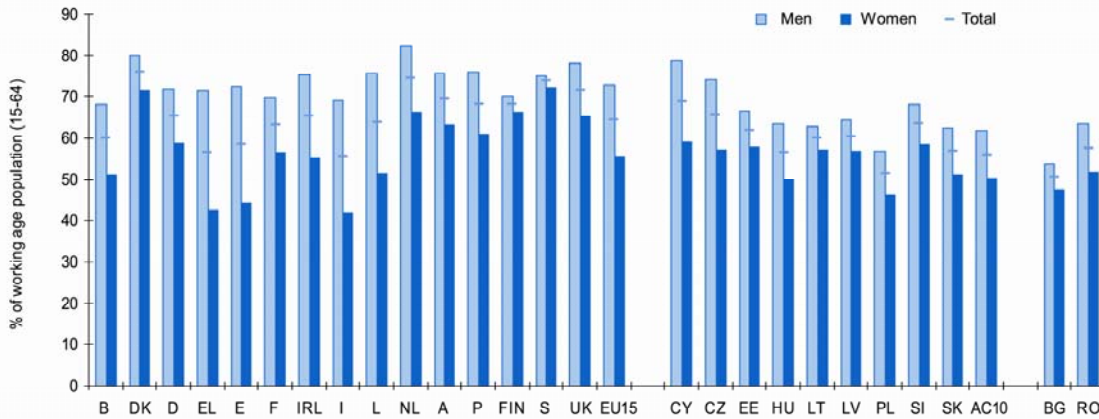
The message is quite clear: The EES aims to promote full employment through extended co-ordination. It favours the modification of governance structures while leaving detailed policy decisions to the national authorities. Though not a European social model in the sense of positive regulation, it might be called a cognitive model or a “framing” policy (see Knill and Lehmkuhl 1999): It does not touch the institutional structures of the Member States directly, but does promote certain values, thereby altering the beliefs and expectations of the national actors. On the whole, the open method of co-ordination fosters very much cross-national policy learning rather than implementing sanction mechanisms to ensure that the Member States adhere to the EES guidelines.

In the course of EU enlargement, the Central and Eastern European (CEE) accession states have been preparing for the appliance of the European Employment Strategy. Therefore, the questions asked in this paper are: How does this process work in practice? Which results does it produce? Which problems are connected to the adaptation, and what learning processes have taken place? The policy transfer concept will be utilised to answer these questions. The paper opens with a discussion of theoretical considerations regarding the study of policy transfer. I will then outline the current state of the debate on the EES before turning my attention to the issue of its transfer to the CEE countries in general and describe the mechanisms and actors involved in the specific case of the Czech Republic. To me, the Czech Republic seems an interesting case to study because – based on common labour market indicators – it had a very successful employment policy during much of the 1990s. The Czech Republic is the only post-socialist accession country that has maintained an employment rate at EU level during the transformation process, while all other candidates have fallen below the current EU average (see Graph 1 below).

Nonetheless, structural problems in the Czech economy and labour market were obvious at the beginning of the pre-accession strategy. I would expect that the experiences from the past would lead to a constructive discussion of the EES rather than an uncritical adoption of the existing EU model (as could easily be expected in some other transition countries that just started to develop a comprehensive employment policy in the mid-1990s). The paper will conclude with a brief summary of considerations concerning the policy transfer concept in the context of EU expansion and the description it gives of current policy-making in the accession countries.

Graph 1: Employment rate by gender, 2002

Chart 25 - Employment rate by gender, 2002



Source: Eurostat, QLFD
Note: AC10 does not include Malta

Acknowledgment: This graph was reproduced from European Commission 2002: Employment in Europe 2003, Luxembourg: Office for Official Publications of the European Communities.

2 The policy transfer concept

During the 1990s there was a growing interest in the study of policy transfer (see Evans/Davies 1999). While the terminology varies, the common interest is what Dolowitz and Marsh (2000: 5) define as a “*process in which knowledge about policies, administrative arrangements, institutions and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political setting*”. They suggest that transfer processes should be understood as lying along a continuum between a voluntary dimension (lesson-drawing) and a coercive dimension (direct imposition). This approach broadens the perspective taken by earlier scholars such as Rose (1991) who focuses on voluntary processes. It also makes the transfer concept interesting for the analysis of Europeanisation processes which seeks to explain changes at the national level as an outcome of EU regulation. Studies in this field have identified several mechanisms of Europeanisation ranging from very direct, coercive influences in cases of positive integration where concrete and compulsory EU regulation exists, to very indirect influences (learning) seen, for example, in cases of mimetic adaptation when the EU provides only legitimate policy solutions (see Schwellnus 2002). Obviously, Europeanisation can be regarded as a specific form of policy transfer (see below). Hence, other mechanisms of Europeanisation – like the alteration

of domestic opportunity structures in cases of negative integration, implementation of EU rules by “norm entrepreneurs” who use them as legitimation, socialising domestic elites by participation in EU decision-making, or the alteration of the beliefs and expectations of domestic actors – can be interpreted as some form of “mixture transfers” according to the Dolowitz/Marsh model. The transfer concept could help researchers to classify Europeanisation processes according to the roles the EU and domestic actors play within them. Generally, the concept is useful for analysis of EU policy-making because the multi-level structure promotes all kinds of policy transfer while diminishing the capacity of national policy-makers to frame their own agendas.

What is transferred according to this concept? Like Dolowitz and Marsh (see above), many authors emphasize the notion of knowledge (knowledge transfer). Although the policy transfer concept is primarily concerned with processes leading to the transfer of specific policies, it also recognizes that the use of specific ideas or programmes outside their political setting of origin depends on knowledge of the political practices and institutions connected to them. Thus, a policy transfer always involves a transfer of administrative and institutional knowledge, but not necessarily the transfer of political styles and structures. We can therefore distinguish two main types of transfers: soft transfers (emulation) leading to substantial similarities of central ideas, concepts or attitudes between two policies, and hard transfers (copying) involving substantial elements of specific programmes and implementation (Evans/Davies 1999).

The emphasis on knowledge touches on a second central aspect of the policy transfer concept, namely, the question of who is doing the transfer. Evans and Davies propose a three-dimensional structure and agency approach involving the global, national and organisational levels of policy-making (ibid.: 361). Their approach emphasizes the role of knowledge elites as agents of transfer who push specific policy changes. Since policy transfer is defined as an intentional activity of decision makers involving knowledge acquisition, this intentionality may be ascribed to either the originating actor, to the transferee actor, to both actors, or to a third party. Thus, an agency may lie more at the push or pull side of the policy transfer, reflecting its position in the voluntary-coercive dimension. Dolowitz and Marsh are explicitly interested in which types of actors are engaged in policy transfer and why, and how the roles of these actors change over time. They identify nine main types of political actors involved in policy transfer processes: elected officials, political parties, bureaucrats/civil servants, pressure groups, policy entrepreneurs/experts, transnational corporations, think tanks, supranational governmental and nongovernmental institutions³, and consultants (see Dolowitz/Marsh 1996 and 2000). This list includes

3 In my view, the notion of “institution” is misleading when referring to agency. Also, “supranational” may not be an appropriate term to describe the bulk of organisations operating beyond the borders of the nation states. I therefore prefer the expression “international organisations and transnational non-governmental organisations”.

both individuals and organisations/institutions. Although individual actors may play a central role in a policy transfer, the learning process is basically inter-organisational (see also Evans/Davies 1999). Therefore, it seems appropriate to focus on the following principal (organisational) actors: legislators and governments, political parties, bureaucracies/administrations, pressure groups/lobbies, consulting agencies (research institutes, think tanks, consultancies), (transnational) corporations, (transnational) nongovernmental organisations, and international organisations.

This list of potential actors in policy transfer processes emphasizes another point: The concept focuses on the international level of transfer. Most of the literature on policy transfer is at least implicitly connected to the analysis of policy convergence between nations. Evans and Davies argue that policy transfer might conceivably take place at and between five levels of political spatiality – transnational, international, national, regional and local, and they distinguish at least 25 theoretically possible pathways of transfer. Evans and Davies also state that *“the great majority of remarkable policy transfers will occur between distinct organizations at the international or transnational levels”* (ibid.: 368). Although still subject to empirical analysis, this statement highlights a common argument in the study of policy transfer: that changes in the institutional context of policy-making, especially when related to globalisation, make international policy transfers more likely. Similarly, the European integration process probably facilitates policy transfer by changing the structure of policy-making and increasing the opportunities for transfer. At the same time, policy transfer may facilitate the integration processes by creating new governance structures. The European Employment Strategy is a good example of this double linkage between integration and policy transfer. From this perspective, Europeanisation can be considered as a specific pathway for the transfer of policy ideas and programmes between the European and domestic levels. This is certainly the most important type of transfer linked to European integration. However, one should not forget about other relevant transfers, for example between different nation states within the framework of the European Union or between the national and European levels. The possibility of having combinations or mixtures of several different policies in the course of a transfer should also be kept in mind.

The policy transfer concept can be used in two (interrelated) ways: to explain policy changes by transfers and to explain the transfer process itself (see Dolowitz/Marsh 2000). To identify policy transfer as a source of specific policy outcomes, an analysis must meet two basic conditions. First, it must show substantive similarities between policies of the two entities under observation, at least with respect to central ideas, concepts and instruments (as in soft trans-

fers, see above).⁴ Second, it has to show that decision-makers intentionally transferred those policies, be it on a voluntary or coercive basis. In other words, the investigator must identify the agents of transfer and the role they played in the transfer process as well as the nature of the transfer. The Dolowitz/Marsh policy transfer continuum may help to systematically reduce the multiplicity of possible transfer processes.

To explain the policy transfer process itself, Evans and Davies propose to understand this interactive process as a particular form of policy-making through multi-level networks (see Evans/Davies 1999). Consequently, investigators should first analyse both the structural context in which this policy transfer network operates and the institutional changes that influence the strategies of the agents. Second, they must characterise the interorganisational relationships involved (i.e. the actor constellation within the transfer network) and determine how decision-makers acquire and utilise knowledge in the course of the policy transfer. Evans and Davies also list a number of characteristics of policy transfer networks in their heuristic model. The most important difference to other forms of policy networks is that they are an *“ad hoc phenomenon set up with the specific intention of engineering policy change”* (ibid.: 376). Last but not least, the transfer network framework breaks down voluntary and coercive transfer processes into different stages useful for empirical research.

Considering the fact that the EU is able to compel governments of the accession countries to adopt programs and policies against their will by means of conditionality (see Grabbe 2002), one can say that the EU Eastern enlargement is obviously a very coercive type of policy transfer. At the same time, the accession countries cannot (yet) influence the adoption of EU policies, and adaptation of the *acquis* generally has not been negotiable. On the other side of the coin, much of the *acquis* is very general, and it comes in the form of a “soft” (non-binding) law that leaves national governments room for manoeuvre. Also, in many cases the accession countries have been very eager to learn from the EU, that is, to use Western experience to get the transformation process moving and to build functioning democracies and market economies according to the EU model. Hence, the transfer process can often be understood as a voluntary form, as described by Rose (1991: 3): *“... confronted with a common problem, policy makers in cities, regional governments and nations can learn*

4 This is a rather strong yet controversial condition as it implies that policy convergence is a consequence of policy transfer. Dolowitz and Marsh (2000: 13) suggest that “inspiration” is a possible degree of policy transfer, i.e. that agents draw on a policy in another political setting without convergence of the policy outcomes. I follow the argument of Evans and Davies (1999) that it is analytically necessary to clearly distinguish between policy transfer and policy innovation. In my opinion, including “inspiration” into the policy transfer concept would not leave enough room for a meaningful analysis of non-transfer-related policy-making processes. Nevertheless, inspiration certainly plays an important role in Europeanisation processes.

from how their counterparts elsewhere responded.” This is especially true for policy areas such as employment policy, where a framing regulation is dominant at the EU level, fostering a voluntary adaptation of national policies (see introduction). So, the interesting question to be answered when studying such a policy area is: How much coercion and how much voluntary learning is taking place during the transfer of EU regulations to the Central and Eastern European accession states?

To conclude:

1. The policy transfer concept may help us better understand the process of Eastern enlargement and Europeanisation as it seems to add to the agency dimension of the analysis of those processes.
2. The policy transfer concept combines an agency approach relying on intentional transfer processes and a structural approach including the institutional context of policy-making in the analysis.
3. To study both the impact of agency and institutional structures on policy transfer processes and the results in the case of Eastern enlargement, it seems adequate to first compare different policy changes in the individual accession states and then analyse policy transfer across countries. My research on the Europeanisation of employment policy in the accession countries focuses on the example of the Czech Republic.

3 The state of the employment policy in the EU

The European Employment Strategy was revised in 2003 following a detailed five-year review (see Commission 2002). In January 2003 the Commission released a communication on the *“future of the European employment Strategy”*, and an European Employment Taskforce chaired by Wim Kok, the former Dutch prime minister, developed practical reform measures for its implementation.⁵ The most important experiences from the first five years of the EES can be summarised as follows:⁶

1. The EES, which is the first coordinated employment strategy developed at EU level, has nevertheless maintained the traditional national competence for employment policy. However, it created a new European policy area. This is legally based on the new employment provisions of the Amsterdam Treaty

5 The report was published in November 2003 (see Employment Taskforce 2003).

6 See the 2002 Impact evaluation. All materials, including the Communication of the Commission, national studies, synthetic papers and surveys, can be found at http://europa.eu.int/comm/employment_social/employment_strategy/impact_en.htm.

(1997), Article 126 of which characterises employment as a matter of common concern. The key actors of the European employment policy are: the Council whose conclusions serve as a basis for the development of employment guidelines, co-decided with the European Parliament and issued by the Commission to the Member States; Economic and Social Committee and Committee of the Regions support the Councils; the Employment Committee monitors the national employment developments and co-ordinates co-operation of the Councils, the Social Partners who are also involved in the formulation of the guidelines, and a broad transnational network of various interested actors (Member State and Commission officials, social partners from Member States etc.) originally developed around the ESF program. When a new seven-year period began in 2000, the ESF was redefined as the key financial instrument supporting the EES – in both policy and management terms.

2. Despite the difficulty of establishing clear causal relationships between EU labour market performance (outcome) and the European Employment Strategy, the EES has had a major impact on national employment policies (output) which developed in different respects towards the common objectives and the guidelines. Firstly, the Commission observed that the *“comprehensive approach of the EES generally strengthened national employment policy coherence and framework”*.⁷ As stated in the Commission 2002 report: *“The EES also fostered political agreement on new common paradigms, such as lifelong learning and quality in work.”* On the other hand, each Member State focuses on different policies, *“and their approaches towards some key issues (e.g. active ageing) seem piecemeal”*. These results clearly show the limits of the open method of co-ordination that operates without legally binding rules (see introduction): the OMC is able to influence the general orientation of national policies, but not their details. However, the EU policy approach produced a new priority for employment objectives at the national level.

Secondly, there is some policy convergence with respect to the “pillars” of the EES.⁸ Employability, the first pillar, had the most profound effect on national employment policies. It is now accepted as a lifetime concept, and there has been some success in setting quantitative targets (e.g. to promote active labour market policy measures or to reorient the placement and reintegration activities of the Public Employment Services). There has been an extensive exchange of views on prevention and activation measures and their effects in different national contexts. However, this all implies a more cognitive kind of change favouring certain types of measures (e.g. education and training) and, to a cer-

7 The following quotations are taken from Commission 2002.

8 Until 2002, the guidelines were organised in four pillars including 1. employability policies to activate the labour force, 2. entrepreneurship and job creation policies to encourage new and smaller businesses, 3. adaptability policies to increase the flexibility of work organisation, and 4. equal opportunity policies to promote gender equality. The pillars represented the stable basis of the EES, whereas the guidelines had only a one-year perspective.

tain degree an improvement in co-ordination between labour market organisations. The real limits of accepting those common concepts are shown in the fact that *“stable conditions for financing continuing training are generally lacking”*: There is a gap between the strategic orientation of national employment policies towards the EES and the funding of the programmes. Legislative reforms have taken place, especially in the context of the transposition of EU directives (“hard law”, e.g. in the anti-discrimination area). The influence of the other pillars of the EES on national policies is similarly or even more limited. There is a common orientation towards specific measures such as simplifying administrative procedures, combating undeclared work, reducing the overall tax burden on labour and implementing benefit reforms. The Member States have also provided a legal framework allowing more flexible employment and working time arrangements, that is oriented towards increasing adaptability to economic activity (and the risks for certain groups of the labour force). With respect to equal opportunities, the Commission recognises that there is a *“greater awareness but insufficient evaluation”*.

Finally, one can observe a limited mainstreaming effect in which employment objectives are recognised not only in traditional labour market policies but also in related policy areas (social, education, family, fiscal policy). However, the Italian report questions the EES approach, stating that it *“has simply given particular emphasis to certain concrete guidelines which were not very suited to the often fundamental nature of the Italian structural problems”* (Italy 2002, cited in Mosher and Trubek 2003).

3. Annual reporting and the use of agreed and comparable indicators have stimulated a “stress of convergence” towards the best performers in the EU. Also, the establishment of the Employment Committee helped to increase and institutionalise the exchange of information between Member States. The peer review process allows for in-depth evaluation, and there is now more intense co-operation at the EU and national level. In sum, the OMC is restructuring the policy area, strengthening co-ordination and involving an increasing number of non-central government-related actors in the employment policy-making process.

Although the overall picture of the new working methods and framework conditions established by the OMC is positive, it is not without problems. Due to the high complexity of the governance procedure, co-ordination is a costly task. The highly technical nature of the transfer processes induced means that exchange is more about fine-tuning and modifying existing measures than about addressing political goals. Since each Member State decides how it will engage in implementation of the EES, some treat the annual national action plan (NAP) as a bureaucratic reporting task rather than an opportunity for policy monitoring. Lastly, although the process is producing a large amount of information, it is not clear how effective this information is being used.

4. Despite some shifts in the guidelines since 1998, there have been no radical changes in the principal concepts of the EES.⁹ The “activation and prevention approach” developed in 1997 with the goal of reducing long-term and youth unemployment in mind was the basis of the strategy during the first five years. With the revised EES, which reflects the Lisbon agenda, the focus shifted a bit away from this unemployment-fighting approach to a broader approach of employment creation (see Council 2003). However, the EES deals with the employment problem not from a traditional social policy perspective, but from a market perspective: Although the EES does not follow a neo-liberal approach (it rejects radical deregulation), it represents typical third way ideas of reforming employment relationships and social protection by recommodifying them (see Mosher and Trubek 2003; Seferiades 2003).

This overall market orientation of the European Employment Strategy has not been more thoroughly discussed in the context of the impact evaluation or with respect to the accession of new Member States with specific labour market structures. The Commission has stated that the labour market problems of the accession countries are simply more acute but not basically different from those in the current Member States, and that there is still a need for extensive restructuring. However, considerations like those for the Greek case may apply to many accession countries: *“That Greece is a country combining high unemployment with low labour costs and a large (almost infinitely flexible) informal economy casts serious doubts on the validity of key EES policy presuppositions”* (Seferiades 2003: 199).

5. The European Employment Strategy should be closely linked to macro-economic and structural policies as well as to policies promoting social inclusion, but this strategic integrative approach is still very weak in practice. So far, there has not been much more than the recognition that the employment problem *“involves several policy domains and cuts across institutional boundaries”* (Mosher and Trubek 2003: 80). The EES has favoured inter-organisational co-operation at the national level by demanding policy-making in such areas where boundaries must be crossed. Whether the revised strategy represents a case of policy learning in this respect remains to be seen.

9 The introduction of recommendations to the Member States and the incorporation of the Lisbon goals (both in 2000) are the most relevant amendments.

4 Transfer of the European Employment Strategy to the Czech Republic

4.1 The Employment Policy Review

The EES will apply to the future Member States only after their accession. The Employment Policy Review was developed by European Commission (DG Employment) to help the accession countries prepare for their full participation. It reflects the general enlargement approach of setting strict conditions (Copenhagen criteria) while leaving room for diverse implementation (by setting general conditions and assessing their fulfilment mainly on the basis of reporting). The Employment Policy Review aims to determine how the labour markets of the accession countries fit into the existing EU structures. The bilateral Joint Assessment Papers (JAP) based on a first analysis set out the challenges to be met and the appropriate policies to be implemented. One of the initiators of DG Employment describes the rationale behind the Joint Assessment Papers as follows: *“First, the lawyers went – in the framework of the negotiations – also into the administrations of those countries to clarify how to adopt the acquis. And in those areas where there is not this importance of the hard law (these are also other areas), there were then considerations how to structure the preparation process there.”* In other words, the Commission aimed to utilise the Employment Policy Review to influence policy-making in the employment area while continuing the “screening” process introduced in the candidate countries in 1998. In this context, it is important to keep in mind that the whole JAP exercise is about adopting the *acquis*, not about problem-oriented policy-making. Basically, the recommendations concern the necessary steps to finally participate in the EES, not to solve the national labour market problems. It could only be by coincidence that the steps to reach both aims would be the same – or (as the implicit EU approach goes) to reach one aim (participating in the EES) would automatically mean to reach the other (solving labour market problems). However, during the preparation processes the two aims have been frequently mixed up. This reflects the fact that the EU is expected to provide problem-oriented solutions.

The JAPs are designed to examine the labour market structure and institutions of each accession country to assess whether

- the labour market structures in place are appropriate for participation in the single market;
- the existing labour market and employment policy institutions are sufficiently developed to allow implementation of the European Union’s employment strategy;

- the overall system in the country is moving towards a meaningful participation in the European Union employment coordination process;
- there are priorities for human resources development strategy that serve as a background for preparatory work for the European Social Fund or ESF-type action planning and programming.

These objectives illustrate the above argument: in the accession process the Commission set clear but broad criteria (single market, EES, ESF), giving itself a comprehensive mandate to assess national strategies (not only concerning labour market structures and employment policy, but “the overall system in the country”). The accession countries are largely dependent not only on EU expertise on how to concretely fulfill such criteria, but also on the interpretation of the results by the Commission. Therefore, policy-making beyond the EU pre-accession strategy seems highly unlikely, but at least very risky in this situation of conditionality. One would generally assume that the policy objectives set by the EU and the policies and programmes developed during the pre-accession period in the candidate countries are greatly similar.

From all we know about the pre-accession strategy, the European Commission is certainly the dominant agent of transfer in this adaptation process. The EC’s main intention is to transfer to the accession countries the *acquis* as well as important knowledge about the necessary background conditions. However, identification of the players with whom the Commission cooperated at the different stages of the process and knowledge of the intentions and resources of those actors is decisive for an empirical analysis. In particular, we have to clarify the organizational actors of the accession countries and describe how and why these decision-makers were involved in adapting national policies towards EU conditions.

The employment policy review started with background studies funded by the Commission in co-operation with the European Training Foundation (ETF). In the JAPs, the accession countries and the Commission then jointly analyzed the key challenges for employment policies. The analytical section of the JAPs describes the economic and labour market situation. The policy section concentrates on the link between the functioning of the economy and the labour market, raising a set of key issues. The JAPs represent a formal agreement also dealt with in the context of the national plans for adoption of the *acquis*, as defined in the Accession Partnerships, and have formed the framework for Phare funding. Finally, each country’s progress in the employment field was monitored by drawing up progress reports on identified key issues, in collaboration with the relevant accession country. The employment policy reviews were launched in 1999, starting with Slovenia and the other “first-wave” countries. Until 2002, the Commission had signed JAPs with all accession countries (Czech Republic, Slovenia, Poland and Estonia in 2000 and early 2001, followed by Malta, Hungary, Slovakia, Cyprus and Lithuania in late 2001/early

2002 and by Romania, Bulgaria and Latvia in Autumn 2002¹⁰). Shortly after the signing of the JAPs the main commitments were discussed in technical seminars between the Commission and representatives of different Ministries, regional authorities, the PES and the social partners to encourage policy action. In late Spring 2002, the accession countries submitted progress reports on the implementation of the JAP commitments. The Commission and representatives of the accession countries reviewed these reports in a second set of technical seminars. The Commission recently launched a review of the JAP process (2003). To illustrate the employment policy review, I make some short remarks on each part referring to the example of the Czech Republic.

4.1.1 *Labour market background study (Munich, Jurajda and Cihak 1999)*

This study gives a factual description of the development of wages, labour force, employment, unemployment, and education as well as the state of labour market institutions in the Czech Republic. It also identifies key issues with respect to the labour market and employment policies to be addressed in the pre-accession process. Summarizing the developments of the first nine years of transformation the study states that the initial changes in employment structure have been dramatic, but exceptionally low unemployment was sustained through large flows of workers from agriculture and industry into services and other small business. However, weaknesses of the Czech labour market became apparent in the economic recession at the end of the 1990s: high labour taxation motivated tax evasion and the growth of the shadow economy; work disincentives of the welfare system lowered the labour supply; active employment policies were small in volume and were not evaluated; the vocational education system responded weakly to current labour market needs; the social security and health insurance systems were not preparing to cope with the ageing population.

The authors conclude: *“The most important tasks to be carried out in combating unemployment and in fulfilling the growth potential have to do with macro-economic policy, the legal system and judiciary, and bank privatisation. We also believe, however, that the Czech labour market could be made significantly more flexible, thereby improving the long-term prospects of the country”* (ibid.: 60).

The study was written under the supervision of DG V and the ETF. In spring 1999, the drafts of the report were discussed at three workshops attended by national experts from the CEEs who wrote the background studies for their respective countries. At a local workshop organized by the National Training

10 Co-operation with Turkey is at an early stage, and background study is under preparation.

Fund (NTF)¹¹ the study was also presented to representatives of Czech governmental organizations and the social partners.

4.1.2 *Joint Assessment of Employment Policy Priorities (JAP 2000)*

The JAP represents the short-term priorities while preparing for accession, “*an agreed set of employment and labour market objectives necessary to advance the country’s labour market transformation, to make progress in adapting the employment system so as to be able to implement the Employment Strategy and to prepare it for accession to the European Union*” (ibid.: 1). The signatures of the JAP represent the main organizations involved in this adaptation process – the DG Employment of the European Commission and the Ministry of Labour and Social Affairs of the Czech Republic. It has to be noted that the political actors involved in this joint agreement did not perceive any major tensions between the objectives of labour market transformation and adaptation to the EU employment policy.¹² In the analytical section of the JAP the economic and labour market developments were comparably described as in the Background study. The JAP especially emphasises the substantial rise in unemployment caused by the restructuring process and its regional dimension. The focus of reforms is on the tax, benefit and social assistance systems as well as on active employment policies and the strengthening of the Public Employment Service (PES). The policy section identifies the following major challenges to be monitored under the Employment Policy Review (JAP 2000: 17):

- to maintain appropriate wage developments in line with productivity growth;
- to coordinate tax and benefit systems in order to provide greater incentives for people to work and for enterprises to provide employment opportunities;
- to promote occupational and geographical mobility;
- to review the pensions system from an employment perspective;
- to strengthen the public employment service to support a policy shift towards prevention and activation;
- to modernise vocational education and training (VET) in co-operation with the social partners, to make the vocational education system more transparent

11 The NTF, which was established in 1994 by the Minister of Labour and Social Affairs with Phare support, is an independent agency and one of the major actors in Czech employment policy. Its main task is to support the development of human resources in the Czech Republic.

12 This could be an indicator for a predominantly EU view in the joint papers. The perspective in the Czech Republic’s National Employment Plan (NEP) of 1999 was slightly different: it recognized that, because the economic, social and political situation of the Czech Republic was somewhat different than that of the EU, the existing situation was not yet adequate for full compliance with the EES (MLSA 1999: 6)

- and focused on the needs of the labour market and, more generally, to adapt the VET system to the demands of a knowledge-based economy and society;
- to strengthen the institutional structures needed to implement the ESF.

This list is quite typical for the political priorities set out in the JAPs of the CEEs, although it varies of course from one country to another. In particular, each JAP includes both the co-ordination of tax and benefit systems and the reform of the PES. The general approach to employment policy offered here focuses on increasing demand by lowering labour taxation, improving the matching between supply and demand for labour, and changing the political strategy from responding to unemployment to maintaining employment. However, no specific programs or means are recommended. The JAPs are based on the background studies and consultations in the accession countries. The drafts were reworked by the Commission and signed by the Commissioner for Employment and the Ministers of Labour.

My conclusions regarding the result of this process are twofold: First, the JAPs mainly reflect an “enlargement and employment” agenda set by the Commission (see also Commission 2003a). Second, the employment policy review (like the enlargement process in general) takes a quite comprehensive perspective on the objective of preparing for membership: It is more about institutional reforms to establish an EU compatible market system than about concrete transposition of the *acquis* (in this case: the European Employment Strategy). In this respect, it seems appropriate to describe this procedure as an attempt to transfer a “European social model” (as understood by the Commission) to CEE.

4.1.3 Review of the JAP

The review of the JAPs was mainly a report-writing exercise. As with the enlargement process in general, the Commission was not able to impose sanctions directly upon the accession states, but mainly monitored their progress in fulfilling the agreed obligations. The EU had only two relatively general but powerful tools to ensure that the policy targets were met: the negotiations and decision regarding accession, and the financial support provided for accession preparations. There was, of course, the perceived necessity of accession states to comply with EU demands to be fully able to profit from future membership. But as employment policy is also a low priority area in the overall EU integration project, the EU’s (Commission’s) influence in shaping institutional and policy choices was quite diffuse (see also Grabbe 2002). It was very much limited to legal transposition of the *acquis*, conducting some Phare and Twinning activities, monitoring and different forms of policy learning. As a Czech employment policy expert summarises: “*The political effect of JAP is zero. It’s more a discussion process than political influence.*”

The progress report on the implementation of JAPs reflects the low priority given to the fulfilment of the employment agenda set out in these agreements: this is no real assessment of the progress made, but just a follow-up of the JAPs describing the state of the employment systems (see Commission 2003a). The Commission confirms general progress and focuses on new short-term priorities. One gets the impression that whatever the accession countries did to reform their employment systems was appropriate to reach this next stage, namely concrete preparation for accession (shaping the National Development Plans for future ESF funding; work on the National Action Plans; concrete preparation for participation in the EES; and participation of observers in the Employment and ESF Committee). The report just lists the state activities in the different areas and formulates further challenges. In the Czech case, both the reform of the tax and benefit system and the promotion of a more active employment policy are still on the agenda. Modernisation of the education and training system is called a “key task”.

4.2 Development of the Czech employment policy during the pre-accession period

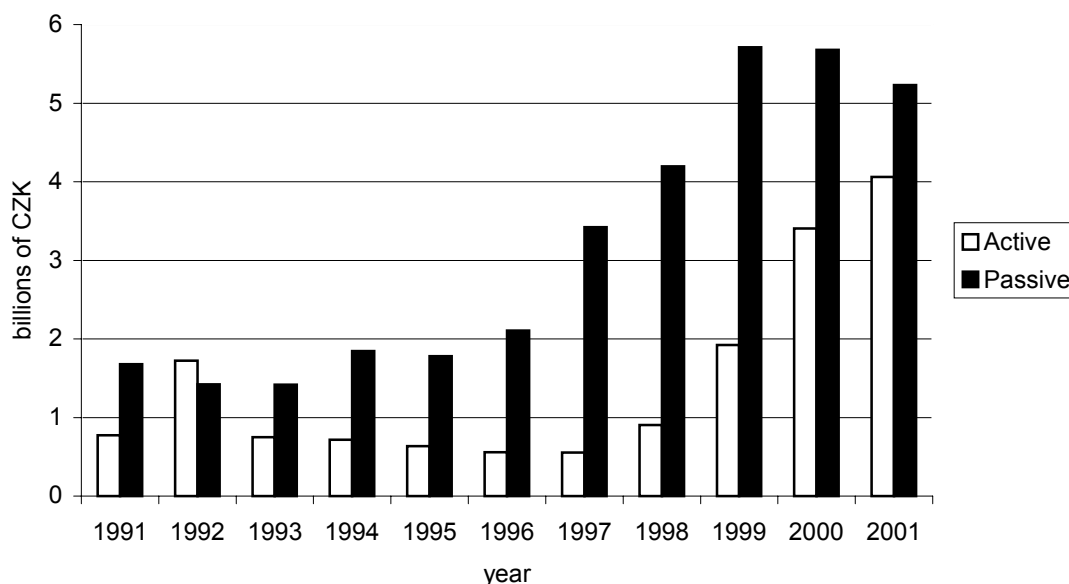
During the last years the Czech Republic was quite active in reforming its employment policy. These reforms were prompted by the currency crisis and subsequent recession in 1997, which set the Klaus government under mounting pressure. Unemployment increased and surpassed 4% for the first time in Czech transformation history. The government responded initially by implementing a strict austerity program that slowed down government spending (see CERGE-EI 2003). The recession shattered the illusion of the “Czech miracle”, a successful transformation without mass unemployment. This contributed to the fall of the right-wing coalition headed by Vaclav Klaus' Civic Democrats, who had been in power since 1992 (although Klaus had actually resigned over party finance scandals). Though unable to form a majority coalition, the Social Democrats won the early elections of 1998. An “opposition agreement” installed a minority Social Democratic government tolerated by the Civic Democrats. In face of the ongoing recession, the new government revived structural reform and privatisation and introduced an aggressive FDI incentive package. In its policy statement of August 1998, they government focused on reviving economic growth by applying active industrial, agricultural and pro-export policies. The social democrats also declared that they would boost the mechanism of tripartite bargaining and establish a permanent social dialogue with the aim of securing social peace. This was part of their plan to adopt the Social Charter of the Council of Europe, one of the five priorities set by the new government. The Czech government's “Economic strategy of the accession to the European Union” of May 1999, the primary basis for the “Joint Assessment of the Economic Policy Priorities of the Czech Republic”, then included a wide range of

policies to achieve a sustainable increase in competitiveness and employment. Besides creating stable economic conditions by means of a co-ordinated fiscal and monetary policy, the strategy also considered a range of infrastructure and investment programmes.

Nonetheless, the Czech economy continued to decline in 1998 and 1999, and unemployment increased to 9%. In this situation, the Ministry of Labour and Social Affairs (MLSA) launched a new approach to the employment policy based on the Social Democratic electoral programme, the Accession Partnership and the EES. Fully in line with the economic strategy mentioned above, the National Employment Plan (NEP), a medium-term strategy developed in 1999, states that employment policy should become *“an integral part of overall economic, regional, social and educational government policies”* (MLSA 1999). Although an effective institutional basis for state employment policies had been created in 1990, it was used very passively under the Klaus government, focusing on unemployment benefits. With unemployment growing since 1997, a reallocation of resources towards active labour market policies was considered to be necessary. As an expert of the Czech Confederation of Trade Unions summarises these employment policy trends: *„Between 1990 and 1999 the prevailing right-wing thinking meant that employment policy and labour markets was seen as a sphere of competitive market forces – no special attention was given to it. This was also connected to the fact that the employment situation was not so bad until 1996, with an unemployment under 5%. The situation changed because the elections in 1998 resulted in a more or less social-democratic government. So the attention to social and employment policy was higher. Also, we came closer to the EU. This made some rhetoric difference in programmes – the ODS and rights support market forces, no state – but also in financial practice.“*

Concerning the financial practice, the numbers really show a change in the general orientation of Czech employment policy: Whereas the proportion of expenses for the active employment policy to total employment policy costs was only 14% in 1997, the proportion has grown since (see Graph 2). This is a first sign that the programme's changes have not been just rhetoric. But the new approach comprises more than policy integration and financial reallocation. One of its basic objectives is activation, representing a shift of responsibility away from the state towards the unemployed and employed, the social partners, NGOs and other social actors. As the NEP puts it: *„New labour market realities call for a new definition of objectives, means of employment policies and actors shaping further development. It is necessary to transfer the focus, as well as financial flows, from the ‘mere’ material security which maintains people in waiting passively (relying on benefits) towards the provision of incentives to change the status quo. The National Employment Plan gives a clear preference to creation of new jobs, improvement of employability, increased flexibility of workers and, on the other hand, discourages reliance on the social safety net”* (MLSA 1999).

Graph 2: Expenditures on the state employment policy



Source: Ministry of Labour and Social Affairs (MLSA 2002c)

Another key objective is to improve the matching of labour demand and supply, in particular with respect to qualifications. Moreover, the new employment policy approach refers actively to the EU accession process and respective policy implementation. It deals with the transfer of the EU *acquis* and puts special emphasis on the EES. The EU employment policy guidelines are understood to focus on measures for employment creation and on prevention of social exclusion. The National employment plan adopts these EU objectives and orients its measures towards the EES priorities established in the pillars mentioned in the previous chapter. The MLSA thereby relied on the EU employment guidelines and the national action plans of the Member States. In summary, the new Czech approach includes not only an activation of the employment policy, but also full harmonisation of the policies and legislation in the area of employment with the *acquis*. All proposed measures comply with the respective EU employment guidelines.

The following rough comparison of the policies developed in the NEP with the EU employment guidelines already shows considerable similarities. Moreover, since 2001 the mid-term strategy has been refined and further developed through annual National Action Plans of Employment, which have taken into consideration the latest developments in the EU guidelines. These policies include among others preventive and concrete employability-oriented measures, improved cooperation with the regional level, attempts to reduce the tax burden of labour, as well as activities to facilitate return to the labour market and policies to support families – all measures that were not yet dealt with in 1999.

However, some shortcomings of the Czech policy approach (with respect to the EES) remain, in particular cooperation with social partners and local labour market actors is not well developed up till now. On the other hand, the Czech Republic put a special emphasis on the question of foreign labour and undeclared work, as well as on investment and industrial programmes.

Table 1: Overview of the Czech and EU employment strategy

Pillars	1999 National Employment Plan	1998 Employment guidelines
1. Improving employability	= "provision of appropriate levels of skills and flexibility in order to meet labour market requirements and ease the transition from school to employment"	
	– implement a reform of the school system, – introduce a specific subject „choice of occupation" into the curricula of all schools (Employment services will be required to supply all relevant information concerning the present and future labour market trends)	<i>Easing the transition from school to work</i>
	– increase the relative weight of income from work compared to social protection income, with special regard to low income families – change and widen the legal, organisational and financial framework for employment services – increase the budget line for active labour market policies in order to better respond to unemployment trends,	<i>Transition from passive measures to active measures</i>
	– match employment of migrant workers with the labour market situation and, in particular, to combat illegal forms of employment and illegal business activities	
	– develop a suitable system for providing employment opportunities to citizens with disabilities, – implement measures to promote employment among the long-term unemployed, paying special attention to members of the Romany community.	<i>Promoting a labour market open to all (1999)</i>
		<i>Tackling youth unemployment and preventing long-term unemployment Encouraging a partnership approach</i>
2. Developing entrepreneurship	– implement a system of investment incentives, – implement the programme of industrial zones,	
	– develop a comprehensive system of SME promotion – create conditions for the development of consulting and training services for SMEs	<i>Making it easier to start up and run businesses</i>

Table 1 continued

Pillars	1999 National Employment Plan	1998 Employment guidelines
	<ul style="list-style-type: none"> – take advantage of public procurement for creating employment opportunities for job seekers, in particular for those with labour market handicaps, – develop and implement a programme to deal with economic problems of selected industrial undertakings. 	
3. Encouraging adaptability	<ul style="list-style-type: none"> – establish conditions for the introduction of flexible forms of work organisation and flexible working time arrangements, – provide incentives to employers with a view of encouraging them to organise training of their employees (Employment services will have an opportunity to provide subsidies to employers for training or retraining of their workers in specified situations). 	<p><i>Exploiting the opportunities for job creation</i></p> <p><i>Making the taxation system more employment friendly</i></p> <p><i>Modernizing work organization</i></p> <p><i>Support adaptability in enterprises</i></p>
4. Strengthening equal opportunities	<ul style="list-style-type: none"> – strengthen legal and institutional tools and mechanisms with a view to combating all forms of labour market discrimination, – create opportunities for citizens to take advantage of temporary measures in favour of those groups whose access to employment is particularly difficult. (positive discrimination measures), – monitor enforcement of the right to employment in respect of groups of citizens who are liable to suffer from discrimination, – work towards reducing and/or removing the gap in wage levels between men and women. 	<p><i>Tackling gender gaps</i></p> <p><i>Promoting the integration of people with disabilities into working life</i></p> <p><i>Reconciling work and family life</i></p> <p><i>Facilitating return to work</i></p> <p><i>Gender mainstreaming approach (1999)</i></p>

Sources: Council of the European Union (1998 and 1999), MLSA (1999).

Since 1999, under the main responsibility of the Ministry for Regional Development, the National Development Plan, the basic strategic document for receiving support from the Structural Funds and the Cohesion Fund, has also been prepared in the Czech Republic. In this context, the Human Resource Development Operational Programme (HRD OP) was produced by MLSA in 2002 in a final version. This programme is the basis for co-financing measures in the area of HRD from the ESF. All these and other documents developed in the context of the pre-accession strategy (as the JAP and the National programme for the development of education in the Czech Republic) share one basic feature: for the first time a coordinated employment policy is approached in the Czech

Republic. This means the development of policies and programmes should be coordinated between actors on the central and the regional level at the one hand, and between various central actors on the other hand. Therefore, the new employment policy approach concerns not only the scope and content of the developed policies, but also a decentralisation, i.e. a certain shift of competencies and responsibilities away from the ministry (which nevertheless, remains the central actor). This is also in line with the requirements of the EES, which is basically a coordination process. However, there remain certain problems with the implementation of this coordinated approach. As the Commission formulates in its updated progress report on the implementation of the JAP in the accession countries: *“Substantial efforts are needed to move towards a more co-ordinated design and implementation of employment policies, to up-grade the administrative capacity for policy planning and delivery, and to promote the participation of the social partners. There are also concerns about the financial and administrative resources needed to ensure full use of the Structural Funds and of the ESF in particular”* (Commission 2003b: 2).

In developing these policies, the Czech Republic (and other accession countries) not only referred to the relevant EU documents and the recommendations and regular comments from the European Commission, but also to the experiences of the Member States. As the ex-ante evaluation of the HRD OP states, these strategies *“are the first documents of this kind in the Czech Republic. It was impossible to build on previous experience, and it was therefore very important to use the experience of the EU member countries”* (National Observatory 2003: 12). The organisations involved into the development of these strategic documents often enjoyed technical assistance from EU country experts. The Phare Twinning programme initiated in 1998 is one of the European Union’s pre-accession instruments specifically designed to provide such assistance. With 15 twinning projects started by 2002 (some as early as 1999), the Czech Republic has been by far the most active accession country using Twinning experts in the fields of employment and social affairs (see European Commission 2003). The MLSA initiated for instance projects to develop the social dialogue, equal opportunities, the preparations for the ESF, the coordination of social security within the EU, occupational safety and health, and social inclusion. The rationale behind the supervision and consulting the twinners exercise within the project has been described by a Swedish expert as follows: *“Officially, I’m a European representative, but when a [candidate] country chooses a project, they choose countries, they have a perspective, what the countries do in a certain area. I cannot renounce the Swedish perspective. This is an official EU policy, but according to my experience we disseminate best practices.”* That is, the knowledge provided about the EU policies and institutions by the twinners is always bound to their national perspective – and this special perspective on the implementation of certain EU policies is intended and does matter for the policy transfer. So, what is transferred under these circumstances is not a “pure” EU policy, but a certain national interpretation of this

policy. Often there is a clear concentration on special knowledge: In the Czech Republic all projects on ESF and on social inclusion between 1998 and 2002 were carried out by British twinning partners, whereas Swedish partners provided their competencies in the field of equal treatment, and Danish on the improvement of Social Dialogue. This illustrates the puzzle character of the policy transfer in the pre-accession context – in fact, the Czech republic looked at different parts of the employment policies of EU Member States when reforming its own employment policy.

At the eve of accession, the development of employment policy in the Czech Republic is at a crucial stage: So far, most of the transfers from EU employment policy have been of a soft type, i.e. the Czech government has applied the strategic aims, priorities and many of the principles of the EES. However, measurable targets and specific instruments have been introduced only on a pilot project basis under the NAPE 2002.¹³ The HRD OP is the first attempt for quantification of objectives and broad implementation of measures based on the EES.

4.3 Assessment of the Policy Transfer

The employment policy review, explicitly designed as an instrument of policy transfer, has been only one way to adapt the Czech employment policy to the EU model – or as it was stated in the National Action Plan for Employment 2002: *“Another step on the way to implementing the European Employment Strategy in the Czech Republic was the signing of the “Joint Assessment of Employment Policy” by representatives of the Czech Government and the European Commission on 11 May 2000”* (MLSA 2002b). The National action plans, based on a mid-term strategy that shares explicitly the central ideas of the EES, represent another transfer process – not directly linked to the employment policy review – as they have increasingly oriented their policy guidelines towards the EES. These plans have concretised the government objectives in employment policy putting more and more emphasis on HRD, a comprehensive and efficient active labour market policy, as well as an adequately equipped Public Employment Service.

Although all strategic documents are formally in line with the JAP, they set own priorities, sometimes different from those identified under the employment policy review. As a Czech employment policy expert puts it: *“There are no con-*

13 The implementation of such concrete programs was also delayed by legislative problems. The labour offices may only use instruments foreseen by the Employment Act. Therefore, in order “to achieve these plans, the Government shall present the new Employment Act Bill that will, *inter alia*, approximate the employment policy instruments to the systems applied throughout the EU Member States” (MLSA 2003).

flicts, but problems with some recommendations, because it is not so easy to implement them. For instance a better balance between social security benefits and minimum wages: Currently, it doesn't encourage people to take training and so on. But there is especially no political will to decrease social benefits. It's not so easy to implement. Also, taxation of labour is relatively high. But because of our budget problems it's not possible to decrease it."

Actually, the employment policy reforms of the last years focussed very much on the harmonisation with EU labour and social law, organisational preparation for the ESF, and a general reorientation of the employment policy. This is in line with Grabbes analysis who writes: *"It is up to the applicants to set clear objectives for implementation of legislation that relate the speed of implementation to cost and financial capacity, and to the size and timing of the benefits expected from taking the measures"* (Grabbe 2002: 263). This explains, why costly reforms – such as the one of the tax and benefit systems, investments in education or the implementation of the EU health and safety at work regulation – have not yet been addressed with very concrete measures, but "low budget" reforms such as new regulative legislation and strategic programming have been introduced quite rapidly. Also, areas expected to have high benefits (transposition of EU regulation as absolute necessity for accession, preparation for participation in ESF) has been given higher priority than the adaptation to the EU's "soft law". This is true for other accession countries as well. However, in the Czech Republic the EES has also played a certain role in framing the employment policy agenda. In the situation of sharply rising unemployment and a change in government in 1998, there was a demand to develop a new approach to the employment policy. The EU explicitly served as a welcome model to this reorientation. The interest of Czech governmental officials, especially the MLSA, to use the European Employment Strategy as an inspiration for building up a new national employment strategy led to a quite early adaptation of programmes to the EES. The Czech Republic also was the first accession country to sign the JAP (in 2000). So, we can see three factors influencing the policy-making: the nature of the socio-economic problem to deal with (namely growing unemployment), the political situation (new Social Democratic government), and external influences (the approached accession to the EU). Since 1999 the Czech government has continuously adapted its employment policies towards EES objectives and guidelines. The programmes increasingly favour activation concepts and inter-organisational co-ordination, and integrating education and training with the labour market is high on the agenda.

However, the current approach is not systematic enough and the implementation of these programmes faced severe problems. Thus, practical results of this policy reorientation are rather limited up till now. There is no evaluation of these policies, but the problem approached wasn't solved so far: although the economy grew during the last years at around 3% annually, unemployment stayed at a high level and increased to more than 10% recently. The Czech

economy facing now jobless growth is perceived to be more similar to Western European countries than still 1999. As the EES was designed to deal with this problem and is considered to be a certain success in this respect (the labour market performance of the EU improved during the last years, see Commission 2002), it appears logical to draw on these experiences. So, the problem isn't solved, and an apparently more successful model has to be joined in the near future anyway – that means the coercive pressures for policy transfer increased over time. This can be illustrated by the adoption of the NEP and the HRD OP, respectively. Whereas the agency for policy transfer stood clearly on the pull side in the first case, where the MLSA (more or less) voluntarily decided to draw a lesson from the EES, future Member States no longer have the choice to rely on EU regulation or not. Instead, they start to participate in standard EU procedures (as the OMC) and are directly exposed to EU rules. In the case of the HRD OP this means that the European Commission was clearly acting as a pushing agent by constantly demanding the submission of the plans, providing technical support for the preparation, and commenting and assessing extensively the respective drafts. Moreover, non-compliance would have serious financial consequences. Also, the EES has undergone significant change since 1998 – first with the acceptance of specific objectives for 2010 and 2005 at Lisbon and Stockholm 2000, then with the updated strategy of 2003 (the EU as a “moving target” for the accession countries). These changes mean a need for more concrete and coordinated policies to the current as well as to the future Member States. Thus, the pressure to adopt increased even in a double sense at the eve of accession.

Overall, a considerable soft policy transfer from the EU to the national level has taken place in the pre-accession period, i.e. an Europeanisation of the Czech employment policy. Compliance of Member States with EU regulations may be labelled as a kind of “obligated transfer”, a quite balanced mixture of voluntary and coercive elements, because of the national competencies to actively shape and decide on EU regulation (according to Dolowitz and Marsh 2000). As the future Member States in principle don't have these competencies until the date of accession, Europeanisation in this case is much more coercive, especially in the last stage. The frequently used term “conditionality” certainly adequately meets the character of most of the Europeanisation processes in the pre-accession period. However, specific preparation processes differ in this respect, and certain transfers have had a more voluntary character than critical integration literature usually would assume. For example: The employment policy review (JAP process) established a range of obligations, but without serious control mechanisms and consequences, and the drawing up of the national action plans may be even characterised as a rather voluntary learning process so far. As a Czech employment policy expert puts it: *“The JAP was just joined, you can't avoid it. But the European guidelines have been a source already from the beginning – we have the same structure and a similar process. Besides: Why develop another process when sooner or later we have to join in anyway?”*

So far, we are not forced to do it, but we have time to learn the process and how to involve different partners in the process.” However, this perception of voluntariness, which is quite widespread among Czech employment policy actors, is certainly owed to a large extent to the framing character of the EES. Probably, it wouldn't be easy to find such instances in the core areas of the European integration process. A representative of the Delegation of the European Commission in Prague comments rather sceptical on the success of this Europeanisation in the pre-accession period: *“There are now the action plans, the Joint Assessment and reports on it, where you can find different strategic points stemming from European employment strategy. But – and this is my personal view – there is a wide gap to reality, wider as in the Member states, where there is also one thing at paper and some difference in practice. These papers are mainly to satisfy the European Commission. Once we are Members, you will see, some things are not well implemented, for instance more flexibility in the labour market, movement of labour force – because to do so would imply much higher social costs, because of the transformation situation.”* So far, the Czech government also failed in committing to concrete mid-term objectives and “mainstreaming” a long-term conception of the national employment policy. Designing and implementing employment policy stayed mainly a task of the MPSV. Nevertheless, it has to be considered that the EU under the Czech conditions was quite successful in setting the employment policy agenda, and the Czech employment policy was subsequently streamlined to an EES approach during the last years – meaning that it is increasingly focussing on labour market policy regulation as well as the prevention and activation concepts and paradigms such as lifelong learning.

5 Conclusion

The Eastern Enlargement of the EU has brought about a whole bunch of institutional and policy changes to the accession countries. Although these reforms are not as far reaching as the establishment of basic institutional structures at the beginning of transformation, one may well speak about a “second wave” of restructuring in the pre-accession period. Yet, it is not an easy task to clearly identify the EU influence on policy-making in CEE. The most intense or “coercive transfers” seem to take place in the area of EU “hard law”. A less direct influence of the EU is visible in the concrete conditions set in course of the pre-accession strategy, provided there are additional incentives and/or national interests involved to push such reforms. Less clear or more “voluntary transfers” mainly concern the very broadly defined and/or costly conditions including the whole area of EU “soft law”. But even in this weak form, accession to the EU is leading to a number of institutional changes as shown at the example of the European Employment Strategy. In the Czech Republic, a new conception of

the employment policy was developed based on EES principles (activation and prevention). The modernisation of the vocational education and training is approached, and the government is promoting flexible work contracts. Also, employment policy is affected by EES paradigms such as lifelong learning, which is used as an instrument to require ESF funding. This means a clear strategic convergence towards the EU policy. There is also some evidence for a greater awareness regarding the need for co-operation and information exchange in the employment policy among officials. However, as within the EU there is a certain gap between strategic changes and implementation. The PES is reoriented towards prevention, activation and individual approach – but whether this helps in addressing the growing unemployment problem has to be subject of further evaluation. Legislative reforms have taken place especially in the context of harmonisation with EU law (as e.g. the 2000 amendment of the Labour Code). In fact, the problems of the Czech employment policy may well be less due to existing institutional structures than to a lack of financial resources and lower economic performance than in the current Member States. In so far, it remains an open question to what degree current and future Member States may learn from each other in this policy area.

In this paper, I attempted to show that the policy transfer concept may be used to structure such Europeanisation processes according to the main actors involved (EU and national government) and their motivations. This allows for a differentiation of domestic policy changes induced by the EU Enlargement process instead of a general analysis of “EU conditionality”. It also emphasizes that the Europeanisation process is shaped by the political situation in the accession countries as well as by the concrete interactions that occur during this process. Thus, the policy transfer concept is useful for determining who is adapting what policies and why.

What effect does the transfer of the EES have with respect to the type of employment system in the accession countries? It seems this kind of questions may be better answered in a Europeanisation framework. For instance, Knill and Lehmkuhl (1999) suggest that the effects of Europeanisation vary according to the type of EU policy transferred: positive integration directly addresses the institutional system at the national level, negative integration is altering the domestic actor constellations by redistributing power, and “framing” integration is altering the beliefs and expectations of domestic actors. The EES is clearly a case of the latter category. However, the example of the Czech Republic shows that there exist political constellations and coercive powers under which the ideas and strategies developed at the EU level may be used by those domestic actors to bring about institutional and policy change in the accession countries. Mosher and Trubek (2003) argue: *“The EES can be especially effective if it were to lead to more efficient ways of using existing resources or provide guidance to people who accept reform but are unsure of how to proceed.”* These conditions have certainly been met in the Czech Republic, where adaptation to

the European Employment Strategy may be interpreted as a major shift in national policy-making.

References

- Cecchini, Paolo (1988): Europa '92. Der Vorteil des Binnenmarkts, Baden-Baden: Nomos.
- CERGE-EI (2003): Czech Republic 2002. Invited to the EU, Prague: Center for Economic Research and Graduate Education (see also www.cerge-ei.cz).
- Commission of the European Communities (1994): A White Paper – European Social Policy – A Way Forward for the Union. Brussels: GD V.
- Commission of the European Communities (2002): Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. Taking Stock of Five Years of the European Employment Strategy, Brussels, COM 416 final.
- Commission of the European Communities (2003a): Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. Progress on the Implementation of the Joint Assessment Papers on Employment Policies in Candidate Countries, Brussels, COM 37 final.
- Commission of the European Communities (2003b): Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. Progress in Implementing the Joint Assessment Papers on Employment Policies in Acceding Countries, Brussels, COM 663 final.
- Council of the European Union (1998): The 1998 Employment Guidelines. Council Resolution of 15 December 1997 (all Guidelines available at http://europa.eu.int/comm/employment_social/employment_strategy/guidelines_en.htm).
- Council of the European Union (1999): Council Resolution of 22 February 1999 on the 1999 Employment Guidelines, *Official Journal C 069*, 12/03/1999, p. 0002 - 0008 (all Guidelines available at http://europa.eu.int/comm/employment_social/employment_strategy/guidelines_en.htm), download: 21.3.2004
- Council of the European Union (2003): Council Decision of 22 July 2003 on Guidelines for the Employment Policies of the Member States (2003/578/EC), *Official Journal of the European Union* 5.8.2003 (adopted Employment Guidelines 2003, available at http://europa.eu.int/comm/employment_social/employment_strategy/guidelines_en.htm).
- de la Porte, Caroline/Pochet, Philippe/Room, Graham (2001): "Social Benchmarking, Policy Making and New Governance in the EU", *Journal of European Social Policy*, Vol. 11, No. 4, pp.291-307.
- Dolowitz, David P./Marsh, David (1996): "Who Learns What from Whom? A Review of the Policy Transfer Literature", *Political Studies*, Vol. 44, pp. 343-357.
- Dolowitz, David P./Marsh, David (2000): "Learning from Abroad: The Role of Policy Transfer in Contemporary Policy-making", *Governance*, Vol. 13, No. 1, pp. 5-24.
- Employment Taskforce (2003): Jobs, Jobs, Jobs. Creating more employment in Europe (available at http://europa.eu.int/comm/employment_social/employment_strategy/task_en.htm).
- European Commission (2003): Institution Building. Twinning projects under Phare 1998-2002, Directorate-General Enlargement.

- Evans, Mark/Davies, Jonathan (1999): "Understanding Policy Transfer: A Multi-level, Multi-disciplinary Perspective", *Public Administration*, Vol. 77, No. 2, pp. 361-385.
- Goetschy, Janine (1999): "The European Employment Strategy: Genesis and Development", *European Journal of Industrial Relations*, Vol. 5, No. 2, pp. 117-137.
- Grabbe, Heather (2002): "European Union Conditionality and the Acquis Communautaire", *International Political Science Review*, Vol. 23, No. 3, pp. 249-268.
- Italy (2002): Impact evaluation of the European employment strategy. Final report (the complete 2002 Impact evaluation is available at http://europa.eu.int/comm/employment_social/employment_strategy/impact_en.htm).
- Joint Assessment of Employment Policy Priorities of the Czech Republic (2000): (11 May, all JAPs are available at http://europa.eu.int/comm/employment_social/employment_analysis/japs_de.htm).
- Knill, Christoph/Lehmkuhl, Dirk (1999): How Europe Matters. Different Mechanisms of Europeanization (European Integration online Papers, Vol. 3, N° 7).
- Mosher, James S./Trubek, David M. (2003): "Alternative Approaches to Governance in the EU: EU Social Policy and the European Employment Strategy", *Journal of Common Market Studies*, Vol. 41, No. 1, pp. 63-88.
- Munich, Daniel/Jurajda, Stepan/Cihak, Martin (1999): Background Study on Employment and Labour Market in the Czech Republic, Prague: CERGE-EI.
- Ministry of Labour and Social Affairs (MLSA) (1999): National Employment Plan (available at www.mpsv.cz).
- Ministry of Labour and Social Affairs (MLSA) (2002a): Joint Assessment Paper Progress Report of the Czech Republic (available at www.mpsv.cz).
- Ministry of Labour and Social Affairs (MLSA) (2002b): Czech Republic. National Action Plan for Employment 2002 (NEAP approved by Government Resolution No. 249/2002).
- Ministry of Labour and Social Affairs (MLSA) (2002c): Basic Indicators of Labour and Social Protection in the Czech Republic. Time Series and Graphs, Prague 2002 (available at <http://www.mpsv.cz/scripts/clanek.asp?id=62&lg=2>).
- Ministry of Labour and Social Affairs (MLSA) (2003): National Action Plan of Employment 2003 (available at <http://www.mpsv.cz/scripts/clanek.asp?lg=2&id=4819>).
- National Observatory of Employment and Training (2003): Ex-ante Evaluation of the Human Resources Operational Programme, Prague.
- Rose, Richard (1991): "What is Lesson Drawing?", *Journal of Public Policy*, Vol. 11, pp. 3-30.
- Scharpf, Fritz (1997): "Economic Integration, Democracy and the Welfare State", *Journal of European Public Policy*, Vol. 4, No. 1, pp. 18-36.
- Schwellnus, Guido (2002): Explaining the EU's Impact in Central and Eastern Europe. Comparing the Merits of Europeanisation and Norm Compliance Literature (Essay prepared for the EIRSS, Jena/Prague, 15-27 July 2002).
- Seferiades, Seraphim (2003): The European Employment Strategy against a Greek Benchmark: A Critique, *European Journal of Industrial Relations*, Vol. 9, No. 2, pp. 189-203.
- Tidow, Stefan (1999): Sozialstaaten zwischen Globalisierung und Europäisierung – Aktive Politik oder "Passive Revolution"? Beschäftigungspolitik als neues Politikfeld in der EU, *Zeitschrift für Sozialreform*, Vol. 45, No. 1, pp. 64-81.

**Bücher
des Forschungsschwerpunkts
Arbeitsmarkt und Beschäftigung**

**Abteilung
Organisation und Beschäftigung**

(nur im Buchhandel erhältlich)

Marie-Laure Djelic, Sigrid Quack (Eds.)
**Globalization and Institutions.
Redefining the Rules of the Economic Game**
2003
Cheltenham, UK/Northampton, MA, USA,
Edward Elgar
333 S.

Christoph Dörrenbächer
**Vom Hoflieferanten zum Global Player.
Unternehmensorganisation und nationale
Politik in der Welttelekommunikations-
industrie**
1999
Berlin, edition sigma
226 S.

Christoph Dörrenbächer, Dieter Plehwe (Hg.)
**Grenzenlose Kontrolle? Organisatorischer
Wandel und politische Macht multinatio-
naler Unternehmen.**
2000
Berlin, edition sigma
312 S.

Gernot Grabher, David Stark (Eds.)
**Restructuring Networks in Post-Socialism.
Legacies, Linkages and Localities**
1997
Oxford, Oxford University Press
360 S.

Swen Hildebrandt
**Jenseits globaler Managementkonzepte.
Betriebliche Reorganisationen von Banken
und Sparkassen im deutsch-französischen
Vergleich**
2000
Berlin, edition sigma
272 S.

Dieter Plehwe
**Deregulierung und transnationale Integra-
tion der Transportwirtschaft in
Nordamerika**
2000
Münster, Westfälisches Dampfboot
531 S.

Sigrid Quack, Glenn Morgan, Richard Whitley
(Eds.)
**National Capitalisms, Global Competition,
and Economic Performance**
2000
Amsterdam/Philadelphia, John Benjamins
Publishing Company
323 S.

Hedwig Rudolph, Anne Schüttpelz
**Commitment statt Kommando. Organisa-
tionslernen in Versicherungsunternehmen**
1999
Berlin, edition sigma
146 S.

Hedwig Rudolph (Hg.)
**Aldi oder Arkaden? Unternehmen und
Arbeit im europäischen Einzelhandel**
2001
Berlin, edition sigma
196 S.

Hildegard Theobald
**Geschlecht, Qualifikation und Wohlfahrts-
staat. Deutschland und Schweden im
Vergleich**
1999
Berlin, edition sigma
200 S.

**Bücher
des Forschungsschwerpunkts
Organisationen und Wissen**

***Abteilung
Internationalisierung und Wissen***

(nur im Buchhandel erhältlich)

Hedwig Rudolph, Jana Okech
**Wer ändern einen Rat erteilt ...
Wettbewerbsstrategien und Personalpolitik
von Unternehmensberatungen in
Deutschland**
2004
Berlin, edition sigma
174 Seiten

Christoph Dörrenbächer
**Corporate Reorganisation in the European
Transport and Logistic Sector in the 1990s
Diversification, Internationalisation and
Integration, International Economics, Vol. 3**
2003
Münster/Hamburg/London, LIT Verlag
80 S.

Christoph Dörrenbächer (Hg.)
**Modelltransfer in Multinationalen
Unternehmen. Strategien und Probleme
grenzüberschreitender Konzernintegration.**
2003
Berlin, edition sigma,
200 S.

**Discussion Papers
des Forschungsschwerpunkts
Arbeitsmarkt und Beschäftigung**

**Abteilung
Organisation und Beschäftigung**

1999

Swen Hildebrandt
**Lean Banking als Reorganisationsmuster für
deutsche und französische Kreditinstitute?
Anmerkungen zur Tragfähigkeit eines leitbild-
prägenden Managementkonzepts**
Bestell-Nr.: FS I 99 - 101

Dieter Plehwe
**Why and How Do National Monopolies Go
"Global"?**
Bestell-Nr.: FS I 99 - 102

Dorothee Bohle
**Der Pfad in die Abhängigkeit? Eine kritische
Bewertung institutionalistischer Beiträge in
der Transformationsdebatte**
Bestell-Nr.: FS I 99 - 103

2000

Christoph Dörrenbächer
**Measuring Corporate Internationalisation.
A review of measurement concepts and
their use**
Bestell-Nr.: FS I 00 - 101

Michael Wortmann
**What is new about "global" corporations?
Interpreting statistical data on corporate inter-
nationalization**
Bestell-Nr.: FS I 00 - 102

2001

Hildegard Theobald
**Professionalisierungspolitiken im Kontext von
Internationalisierung und Feminisierung - Das
Beispiel der Verbände in der Unternehmens-
beraterbranche**
Bestell-Nr.: FS I 01 - 101

Hedwig Rudolph, Hildegard Theobald,
Sigrid Quack
**Internationalisierung: Ausgangspunkt einer
Neuformierung der Geschlechterverhältnisse
in der Unternehmensberatung?**
Bestell-Nr.: FS I 01 - 102

Alison E. Woodward
**Gender Mainstreaming in European Policy:
Innovation or Deception?**
Bestell-Nr.: FS I 01 - 103

2002

Christel Lane, Sigrid Quack
**How banks construct and manage risk.
A sociological study of small firm lending
in Britain and Germany**
Bestell-Nr.: FS I 02 - 101

Christoph Dörrenbächer
**National Business Systems and the
International Transfer of Industrial Models in
Multinational Corporations: Some Remarks on
Heterogeneity**
Bestell-Nr.: FS I 02 - 102

Christopher Bahn
**Die Bedeutung der lokalen Regulations-
systeme in Berlin für den Strukturwandel im
Einzelhandel**
Ein Untersuchungsdesign
Bestell-Nr.: FS I 02 - 103

Petra Potz
Die Regulierung des Einzelhandels in Italien
Grundlagen und Einfluss auf die Handelsstruktur
Bestell-Nr.: FS I 02 - 104

Jana Pannewitz
**World Wide Web-gestützte Befragungen in der
empirischen Sozialforschung: Ein Erfahrungs-
bericht**
Bestell-Nr.: FS I 02 - 105

Sebastian Botzem
**Governance-Ansätze in der
Steuerungsdiskussion**
Steuerung und Selbstregulierung unter den Be-
dingungen fortschreitender Internationalisierung
Bestell-Nr.: FS I 02 - 106

Marie-Laure Djelic, Sigrid Quack
**The Missing Link: Bringing Institutions back
into the Debate on Economic Globalisation**
Bestell-Nr.: FS I 02 - 107

**Discussion Papers
des Forschungsschwerpunkts
Organisationen und Wissen**

***Abteilung
Internationalisierung und Organisation***

2003

Christopher Bahn, Petra Potz, Hedwig Rudolph
**Urbane Regime - Möglichkeiten und Grenzen
des Ansatzes**
Bestell-Nr.: SP III 2003 - 201

Michael Wortmann
**Strukturwandel und Globalisierung des
deutschen Einzelhandels**
Bestell-Nr.: SP III 2003-202a

Michael Wortmann
**Structural Change and Globalisation of the
German Retail Industry**
Bestell-Nr.: SP III 2003-202b

Petra Potz
**Die Regulierung des Einzelhandels im
Großraum London**
Bestell-Nr.: SP III 2003-203

2004

Anne Schüttpelz
**Policy Transfer and Pre-accession
Europeanisation of the Czech
Employment Policy**
Bestell-Nr.: SP III 2004-201

Bei Ihren Bestellungen von WZB-Papers schicken Sie bitte unbedingt einen an Sie adressierten Aufkleber mit sowie je paper eine Briefmarke im Wert von 0,51 Euro oder einen "Coupon Réponse International " (für Besteller aus dem Ausland)

Please send a self addressed label and postage stamps in the amount of 0,51 Euro or one "Coupon-Réponse International" (if you are ordering from outside Germany) for each WZB-paper requested

Bestellschein

Order Form

Absender / Return Address:

Wissenschaftszentrum Berlin
für Sozialforschung
Presse- und Informationsreferat
Reichpietschufer 50

D-10785 Berlin-Tiergarten

**Hiermit bestelle ich folgende(s)
Discussion paper(s):**

**Please send me the following
Discussion paper(s):**

Bestell-Nr. / Order no.	Autor/in, Kurztitel / Author(s) / Title(s) in brief