From ‘talking the talk’ to ‘walking the walk’: implementing the EU guidelines on employment through the European Social Fund

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From ‘talking the talk’ to ‘walking the walk’:
Implementing the EU guidelines on employment through the European Social Fund

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Abstract: This article investigates how the European Social Fund (ESF) is being employed to translate Lisbon/Europe 2020 goals on employment into domestic agendas. The emphasis is not only on how European priorities are taken into account by ESF national programming documents (talking the EU talk), but also on how these priorities are translated into concrete actions at the local level (walking the walk). This article pursues this emphasis by combining mainstream studies on the impact of Europe (top-down Europeanisation) with studies on political usages (usages of Europe). This combination reveals new dynamics at work, such as the usages by Europe, and gives a more complete picture of the implementation process. Empirical evidence is drawn from documentary and database analysis and from interviews carried out at the European level and in two member states (France and Spain).

Keywords: Europeanization; employment policy; implementation; social policy; structural funds; European Commission; political science; sociology; Spain; France.
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Introduction

Since the beginning of the economic crisis, budgetary reforms have been at the top of the agenda for most European Union (EU) member states. The future of Europe 2020’s social dimension is more uncertain than ever, since social policies have become among the most frequent adjustment variables. In this unpropitious context, there are still ways to effectively implement the social dimension of Europe 2020. Reliance on European financial instruments, and particularly the European Social Fund (ESF), is one of the most promising ways. The ESF has indeed been identified as a crucial factor in accelerating, amplifying and triggering national changes in line with the European Employment Strategy (ESS) (Weishaupt 2009). Ever since the design of the first European Employment Guidelines in 1997, their link with
European financial instruments has been reinforced. The alignment of Europe 2020 with the Structural Funds is also expected to be further developed in the next programming period.\(^1\)

Despite much interest in the so-called ‘Lisbonisation of Structural Funds’,\(^2\) the few studies on this topic (Hartwig 2007; Mendez 2011) — in line with mainstream research on Structural Funds — focus on European institutional arrangements and programming documents. When the translation of Structural Funds into domestic agendas is also investigated, it has been shown that even modest ESF funding can bring significant domestic policy shifts (Verschraegen, Vanhercke and Verpoorten 2011). The impact of soft-governance instruments such as the ESS on sub-national actors is increased when it is accompanied by material incentives such as the ESF (Lopez Santana 2009). In this line, many relevant questions on the contribution of the ESF to implementation of European goals remain unexplored. How are Lisbon/Europe 2020 goals translated into domestic agendas through the ESF? How can these goals get to be reflected in EU programming documents? How can they be translated into concrete actions at the sub-national level?

These questions only get partial answers in recent literature focused on the Structural Funds. To be sure, the connection between Lisbon/Europe 2020 and Structural Funds breathes new life into the analysis of Structural Funds. Since 1988, the Structural Funds have imposed a common regulatory framework on member states for the implementation of cohesion policy, often analysed as a case of multi-level governance (Marks 1992). While many conceive of cohesion policy as a case of intergovernmental relations (Pollack 1995), some scholars argue that member states’ influence has been exaggerated (Bachtler and Mendez 2007). With this focus on the power balance between the European Commission and member states, the politics of the Structural Funds have been oversimplified. Attention has almost exclusively focused on budgetary matters, intergovernmental negotiations, macroeconomic impact and institutional arrangements. At the beginning of the 1990s, some studies did take domestic contexts into account but focused only on how EU cohesion policy affected the redistribution of power within member states (Hooghe 1996). As Bachtler and Mendez conclude, ‘there is inadequate understanding of the interplay between key actors and insufficient appreciation of how this interplay varies at different stages of the cohesion policy design/implementation process’ (Bachtler and Mendez 2007: 558). This neglect of the micro-level is significant since, according to Smith, when attention is drawn to the local level, ‘orthodox accounts of multi-level governance are of little assistance’ (Smith 1997: 724).

This article emphasizes the complementarity between the so-called orthodox and the micro approaches to the use of the Structural Funds. Most mainstream research is too distant from sub-national realities to make practical sense, but microanalysis alone is also too parochial to capture the full picture. While most research on Europeanisation is based on a top-down research design (Exadaktylos and Radaelli 2009), studies on the usages of Europe propose instead a bottom-up sociological perspective with a strong empirical focus (Woll and Jacquot 2010; Graziano, Jacquot and Palier 2011). Usage of Europe has been defined as ‘social


\(^2\) This expression refers to the use of Structural Funds for the implementation of the Lisbon strategy.
practices that seize the European Union as a set of opportunities’ (Woll and Jacquot 2010: 116). Based on a micro-sociology of the EU, the usages of Europe approach proposes an actor-centred and contextualized account of European processes.

The present study seeks to help bridge the gap between mainstream institutional analysis and EU sociology (Saurugger and Mérand 2010; Favell and Giraudon 2009). Even if different scholars hold contrasting views of new institutionalism, they all tend to consider institutional development as among the most relevant factors in shaping political life. In this paper, institutions are understood as an ‘organized setting within which modern political actors must typically act’ (March and Olsen 2005: 4). Legislative and executive branches, as well as bureaucracies and electoral systems, are typical examples of formal institutions. In line with sociological analysis, informal institutions are also included. Sociological analysis also places the emphasis on social practices and claims to provide explanations that are more realistic and concrete. The combination of mainstream institutional analysis and EU sociology not only allows for a broader and better-grounded picture of the implementation process, it also draws attention to analytical dimensions that are usually left out, such as the usages by Europe, which are the usages by European actors. Providing such a combination is a challenging task. But it is made more feasible by the present study’s focus on a well-defined empirical issue: to what extent the ESF is being employed to translate Lisbon/Europe 2020 goals into domestic action. After a brief introduction to the current controversy on the contribution of the Structural Funds to Lisbon/Europe 2020, this article presents the research design and methodology in detail. Then, the analysis reconstructs the entire implementation process of Lisbon/Europe 2020 goals through the ESF.

1. Analysing the contribution of the European Social Fund to the Lisbon Strategy

One of the main difficulties in assessing the contribution of the ESF to the Lisbon Strategy and to Europe 2020 is the complexity and changeability of both governance architectures. A few words on the latest studies on this topic are crucial before proceeding to the presentation of the analytical framework.

1.1. The European Social Fund and the Lisbon strategy: Conflict or overlap?

The Lisbon strategy was launched in 2000. It included a new approach to EU governance, the Open Method of Coordination (OMC). In the domain of employment, the OMC integrated the European Employment Strategy (EES), designed to coordinate the employment policies of the member states on the basis of the new provisions laid down by the Amsterdam Treaty. When the Lisbon strategy was re-launched in 2005, the main novelty was the fusion of the European Employment Guidelines with the Broad Economic Policy Guidelines into the 24 Integrated Guidelines for Growth and Jobs. The reviewed strategy was criticized for its weak social dimension and for its unbalanced governance architecture (Zeitlin 2008). The new design for Europe 2020 addresses some of these imbalances, reinforcing the social dimension
and fostering the involvement of local authorities and non-state actors (Zeitlin 2010). However, Europe 2020 has also been aligned with the Stability and Growth Pact through the creation of the European semester³ and, in a context of crisis, this new mechanism has been used to increase fiscal surveillance and to prevent macro-economic imbalances at the expense of the social and environmental dimensions (Pochet 2012).

During the revision of the Lisbon strategy in 2005, emphasis was also placed on the implementation gap, and the ESF became a key financial mechanism in support of the EES. The link between the ESF and the Employment Guidelines can be found in the Council regulation establishing priorities for the Structural Funds for the 2007-13 period (European Council 2006).

The governance of the Structural Funds is complex, not only because it involves several levels of governance, but also because it is divided into multiple stages governed by different rules and actors (Marks 1992). A first phase, dominated by member states, is aimed at creating a budgetary envelope. The institutional arrangements for disbursing the funds are designed at a second stage, within the framework of ordinary legislative procedure. The third phase concerns structural programming and, contrary to the two previous phases, decisions are taken in bilateral negotiations between the Commission and member states. As Structural Funds are a form of co-financing, the responsibility for their implementation is shared between the Commission and member states. Member states appoint the managing and audit authorities, set up monitoring committees and introduce the necessary checks and controls. The Commission is responsible for monitoring the programme, but its specific prerogatives depend on the EU rules for each programming period.

The alignment between the Lisbon Strategy and the ESF has not been adequate (European Commission 2010). The ESF is considered to be much broader in scope, as it is formally linked to European social policy (Hartwig 2007). For example, the ESF can fund the institutional capacity of public bodies, which is not included in the Employment Guidelines. There are also some goals covered by the Employment Guidelines that cannot be funded by the ESF (e.g., reforms of the tax system). Despite these contradictions, most of the objectives of both instruments of governance overlap. Thus, even in the past, when there was little formal integration between the Lisbon Strategy and the Structural Funds, the latter were already contributing to the former.

Some provisions of the current ESF regulations are also considered to restrict this alignment. Cohesion rules often prevail in the process of the definition and attribution of funds at the expense of the social objectives of the ESF. The separation of the ESF from other funds is currently under discussion, but it is very unlikely in the short-term (Yung 2011). Different policy cycles for the Lisbon/Europe 2020 objectives and the ESF are also seen as an obstacle. Europe 2020 was launched officially in March 2010 by the Barroso Commission, while the ESF regulation was not replaced by a new one until 2013. Thus, the ESF will first be able to take account of Europe 2020’s new priorities and targets in 2014.

³ During the ‘European semester’ (six-month period from the beginning of each year) member states are expected to align their economic and budgetary policies with the EU rules. A set of procedures and rules have been designed to this purpose. More information available at http://ec.europa.eu/europe2020/making-it-happen/, (last consulted on 24 June 2013).
1.2. Combining top-down Europeanisation with the usages of Europe

Most studies on Europeanisation adopt a top-down research design, in which the absence or presence of domestic change is explained by the level of fit (or misfit) between EU-level policies and those of the member states (Exadaktylos and Radaelli 2009). European institutions and rules are considered the most relevant explanatory variables, while domestic institutions are considered as either intervening or mediating factors (Borzel and Risse 2003). Those studies have been criticized for their excessive focus on institutional constraints at the expense of other relevant factors (Woll and Jacquot 2010; Graziano, Jacquot and Palier 2011). In response, research on the usages of Europe proposes an alternative perspective and research design. Researchers in this camp first track major changes at the national level and then try to assess the contribution of the EU. Their studies focus on the political work of individual actors and they also strive for more contextualized approaches to the impact of Europe. The EU is not seen as the driver of change but rather as a selective amplifier (Visser 2005). However, it is often difficult to see how the microanalysis of domestic usages fits into the broader European picture, and it is not always clear to what extent the usages of Europe lead to broader European impact.

The confrontation of top-down Europeanisation with the usages of Europe approach (see Table 1) reveals one significant dynamic overlooked until now: usages by Europe. Usages by Europe refers to actions carried out by European policy officials in charge of implementation. Lisbon/Europe 2020 goals, even if they are broad, can still make a difference if they are championed by European political entrepreneurs, namely the Commission. Such political entrepreneurs can contribute to the specification of these goals and to their incorporation in national policy documents.
Table 1: Different approaches to the study of the impact of Europe

<table>
<thead>
<tr>
<th>Approach</th>
<th>Top-down Europeanisation</th>
<th>Strategic usages</th>
</tr>
</thead>
<tbody>
<tr>
<td>European level</td>
<td>Institutional analysis</td>
<td>Usages approach</td>
</tr>
<tr>
<td></td>
<td>EU pressures</td>
<td>Usages by Europe</td>
</tr>
<tr>
<td>Domestic level</td>
<td>Mediating factors</td>
<td>Usages of/by Europe</td>
</tr>
<tr>
<td>Major factor explaining change</td>
<td>Institutional arrangements</td>
<td>Strategic/political action</td>
</tr>
</tbody>
</table>

Secondly, the combination of institutional analysis and the usages approach broadens the scope of research findings. Each approach excessively emphasizes a single explanatory variable; that is, Europeanization emphasizes institutions while the usages approach emphasizes actor’s agency. The present study takes into account both explanatory variables, which are not mutually exclusive and more importantly, not always easy to distinguish (March and Olsen 2005).

The complexity of the processes at work calls for a holistic view that includes all the interdependent variables acting in a given context. Following an INUS approach to causation (Mahoney and Goertz 2006), this article aims at identifying causes that are jointly sufficient for an outcome. INUS (Insufficient and Non-redundant parts of Unnecessary but Sufficient) causes are not individually necessary nor individually sufficient. On the basis of previous research, several variables – presented in Table 2 - that have been related to European impact will be analysed.

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4 An example of an INUS condition is a short-circuit that caused a house fire. The short-circuit is insufficient because it cannot cause the fire on its own and it is non-redundant because without it the rest of the conditions are not sufficient. A short-circuit is just a part of a sufficient cause including other background conditions (e.g. oxygen, etc.) but this sufficient cause is not necessary since a different cluster of conditions could also have set the fire.
## Table 2: Conditions shaping the impact of Europe

<table>
<thead>
<tr>
<th></th>
<th>Conditions leading to EU impact</th>
<th>Examples of other relevant factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talking the EU talk</td>
<td>Detailed targets/goals</td>
<td>National preferences</td>
</tr>
<tr>
<td></td>
<td>EU officials ‘ideology’</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receptiveness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Favorable local context</td>
<td></td>
</tr>
<tr>
<td>Walking the walk</td>
<td>Detailed goals</td>
<td>Self-interest</td>
</tr>
<tr>
<td></td>
<td>Facilitators/ mediating factors</td>
<td>National preferences</td>
</tr>
<tr>
<td></td>
<td>Monitoring capacity</td>
<td>Ideological preferences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legitimacy needs</td>
</tr>
</tbody>
</table>

A first set of variables becomes relevant at the moment in which Lisbon/Europe 2020 goals in the field of employment are taken into account in ESF programming documents (talking the EU talk). First, the Lisbon/Europe 2020 goals may have limited the policy options and courses of action in the process of negotiation. They may also have reinforced the idea that a specific policy line is necessary, which is consistent with a policy process framework approach (Lopez Santana 2006).

Commission officials may also tend to push for the realisation of Commission priorities if their behaviour is shaped by what has been referred to as ‘European ideologies’ (Smith 1996). In this situation, Commission officials would insist on promoting a Community added-value and thus, they would push more for the implementation of Commission priorities.

The efforts of Commission officials may also be eased by the receptiveness of the member states. When there is a policy misfit, domestic officials may be more or less receptive to European demands. A congruence between the views of European and domestic officials may also be the result of a learning process at an earlier stage (Lopez Santana 2006). Finally, the local context is also highly relevant. Even if the local context includes many different variables, the emphasis in this paper is placed on the levels of economic development and centralisation, further discussed in the next section. In less economically developed member states, the implementation of certain Commission goals may not be appropriate or even possible. Thus, Commission officials may accept policy solutions that are not in line with Commission’s priorities.
Thus, the ideal situation in which there would be a maximum of chances to integrate Lisbon/Europe 2020 goals in domestic documents would be characterized by highly European, ideologically-oriented Commission officials willing to use European goals and targets to push for changes that encounter little or no resistance from member states and few or no obstacles derived from the domestic context.

The second part of this article examines the variables that help translate European priorities into concrete action (walking the walk). Previous research on this topic has concluded that unambiguous European pressures leave less room for domestic accommodation (Borras and Radaelli 2011). ESF goals should be detailed and specific to ensure that the policy options of domestic actors are effectively restricted. European impact has also been considered to be eased by the presence of facilitating factors (Börzel and Risse 2003). These can be institutional factors such as formal institutions or multiple veto points or change agents (e.g. norm entrepreneurs). Facilitating factors are often presented as sufficient conditions. However, even if formal institutions may provide actors with resources to exploit European opportunities, these opportunities may not necessarily be exploited. One would expect that usages by Europe also take place at this stage of the policy process, if Commission officials have some chance to push for changes. This would be possible, for example, if the Commission has sufficient monitoring capacities.

When these conditions are not met, usages by Europe are not likely, and/or the usages of Europe do not necessarily lead to European impact (or added value). For example, domestic actors will tend to use the ESF to pursue their own self-interest, ideological preferences, or to increase their legitimacy. When domestic institutional pressures to use the ESF in a specific way are strong, the actors in charge of the implementation will have less room to develop their own political usages and national priorities will become more relevant.

**1.3. Overcoming single-level studies: The use of multi-level empirical data**

The empirical data in this paper serve to illustrate how this combination of approaches improves our understanding of the implementation of Lisbon/Europe 2020 goals, thereby contributing to theory refinement in this field. Our purpose is to provide an in-depth understanding of a complex process and an adequate explanation that takes local as well as national context into account (Mahoney and Goertz 2006). Comparing two member states serves to demonstrate the significance of domestic institutions and rules, as well as to identify similarities and illustrate the diverse use of EU rules in very different national contexts. The countries compared, Spain and France, have very different economic and institutional backgrounds, providing some leverage to suggest that any similarities that will be identified are generally with respect to ESF politics. These countries also vary across a few key variables relevant for the analysis of the local context, namely the degree of centralization and the level of economic development. The maximum variance approach as a strategy for the selection of cases will help to clarify the relevance of these contextual circumstances for the process and outcomes (Flyvbjerg 2006).
Despite a first wave of decentralisation in 1982 and some moves towards a market-oriented economy (Vail 2010), French dirigisme is still more the rule than the exception. In sharp contrast, Spanish regional authorities have acquired a considerable amount of autonomy since the democratization process in the late 1970s. When Spain joined the European Communities, most of its regions had a GDP less than 75% of the EU average. It was then considered to be under-developed and economically weak. Accordingly, since 1988, it has been the main beneficiary of Structural Funds in absolute terms and, in spite of the last enlargement, has managed to maintain its overall level of funding in the current programming period (Douglas, Murillo, Delgado and Méndez. 2009). For Spain, the ESF represents 11 billion euros for the programming period 2007-2013, of which 8 billion come from the EU (70.5%). By contrast, metropolitan France, one of the ‘rich countries’, has never been entitled to receive money for convergence purposes and receives substantially less money from the ESF (4.49 billion euros).\(^5\)

When it comes to the translation of the ESF into concrete actions, the sub-national level also has to be taken into account. The data for the analysis of the French and Spanish domestic implementation processes come from four regions: the Spanish regions Catalonia and Extremadura and the French regions Pays de la Loire and Limousin. These regions differ greatly in terms of economic development and, in the case of Spain, the regions also have very different competencies.

Empirical data are derived from different sources at different levels of governance. While analysing ‘talking the EU talk’, key data come from the analysis of European goals and domestic operational programmes (2007-13). The analysis of usages by Europe is based on semi-structured interviews\(^6\) with key Commission officials working for the horizontal and geographical units at DG Employment. While addressing ‘talking the EU talk’, the primary focus of the analysis is the EQUAL programme. The 78 EQUAL projects implemented in the four regions have been systematically analysed. Detailed information on each one of these projects is available in the EQUAL database.\(^7\) The analysis of the usages of Europe is also based on a total of 12 semi-structured interviews with ESF officials at the national level and in these regions.

\(^5\) These figures are available on the ESF website: http://ec.europa.eu/esf/home.jsp?langId=en (last consulted on 24 June 2013).

\(^6\) Three interviews were carried out at DG Employment (one with a representative of the horizontal unit and two with representatives of the geographical units for each one of the countries under analysis).

\(^7\) EQUAL is a Community programme implemented during the programming period 2000-2006. It aimed to tackle discrimination and disadvantages in the labour market. It is not possible to analyze a more recent Community programme since there is no equivalent to EQUAL in the current programming period. The data analyzed come from the EQUAL database. Data was retrieved on the 18th March 2009. An outdated version of the database is available online at http://ec.europa.eu/employment_social/ECDB/equal/jsp/index.htm (last consulted on 24 June 2013).
2. Lisbon/Europe 2020 goals in national programming documents: Talking the EU talk?

At the decision-making and programming stage of the policy process, the Lisbon/Europe 2020 objectives are defined and in principle they should be incorporated into domestic policy documents. The reconstruction of the process presented herein reflects not only on the nature of European pressures, but also on the usages by Europe during the negotiation process, giving a more complete picture of the dynamics at work at the European level. The first section shows that the broad Lisbon/Europe 2020 goals do not give a general policy direction, which is clearly reflected in the way member states and regional authorities allocate the ESF money. However, it cannot be concluded that these goals have no influence whatsoever. Section two shows that European priorities can still be advanced by the Commission under certain favourable conditions.

2.1. A prioritisation process much more national than European

As Lisbon/Europe 2020 goals reflect the commitment to respect national diversity while constructing social Europe (Goetschy 2003), they are broad and do not really formulate clear priorities (Pisani-Ferry and Sapir 2006; Meyer, Linsenmann and Wessels 2007). In the case of the ESF, the goals that are actually advanced are interpreted and specified by the Commission. The long list of priorities included in Europe 2020 has been reduced by the Commission to a series of specific measures for employment, included in the Annual Growth Survey for 2010 (European Commission 2011). The Commission opts for a balance between flexibility and security and for getting the unemployed back to work. Measures that are promoted include the avoidance of benefits dependency, the reduction of dropout rates, and ending the overprotection of workers with permanent contracts. During the Lisbon period, the Commission also expressed a strong preference for adaptability measures in the domain of employment (Hartwig 2007). The EQUAL programme had a stronger social dimension since it was also expected to contribute to the objectives of the strategy to combat discrimination and social exclusion. While defining the ESF priorities, the Commission has not only inspired by the Lisbon/Europe 2020 goals, but also by the principles of assistance of the ESF regulation, such as the partnership and additionality principles.

Many studies on this topic conclude that in the domain of employment, mainstream ESF is subordinated to national priorities and that the EU did not play a very significant formulating role (Verschraegen, Vanhercke and Verpoortenet 2011; Hartwig 2007, Goetschy 2003). The evaluation report commissioned by DG ECFIN reaches similar conclusions: most people interviewed considered prioritization as a national issue and the Lisbon guidelines were not considered to be very useful in this respect. Even in the case of cohesion policy, where the language of Lisbon has been prominent in domestic programming documents, the guidelines have been translated very differently (Mendez 2011).
Our findings tend to confirm previous research on this topic. Table 3 reveals the great diversity in the allocation of funds by priority in the current operational programmes in France and Spain. Across the board, only a small proportion of funds was used to promote the European priority of adaptability. In Spain, where operational programmes are elaborated at the regional level, the regional differences are also striking. Thus, the Lisbon/Europe 2020 goals do not seem to give a general direction which can be clearly identified in the programming documents and that could eventually lead to a process of convergence.
Table 3: Distribution of funds by priority in the Operational Programmes 2007-2013

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>%</th>
<th>Spain</th>
<th>%</th>
<th>Catalonia</th>
<th>%</th>
<th>Extremadura</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adaptability</td>
<td>898,911,778</td>
<td>19.90%</td>
<td>2,207,669,944</td>
<td>27.40%</td>
<td>70,175,382</td>
<td>24.65%</td>
<td>76,050,085</td>
<td>30.41%</td>
</tr>
<tr>
<td>2. Employability</td>
<td>1,274,606,474</td>
<td>28.36%</td>
<td>4,474,859,732</td>
<td>56.00%</td>
<td>140,350,763</td>
<td>49.30%</td>
<td>67,624,205</td>
<td>27.04%</td>
</tr>
<tr>
<td>3. Human capital</td>
<td>1,755,845,348</td>
<td>39.00%</td>
<td>1,143,652,056</td>
<td>14.00%</td>
<td>45,112,746</td>
<td>15.80%</td>
<td>106,061,387</td>
<td>42.41%</td>
</tr>
<tr>
<td>4. Transnational cooperation</td>
<td>389,984,305</td>
<td>8.70%</td>
<td>112,673,018</td>
<td>1.00%</td>
<td>20,050,109</td>
<td>7.00%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5. Technical assistance</td>
<td>175,216,070</td>
<td>3.90%</td>
<td>120,074,072</td>
<td>1.00%</td>
<td>9,022,549</td>
<td>3.20%</td>
<td>350,120</td>
<td>0.14%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,494,563,975</td>
<td>100.00%</td>
<td>8,057,328,822</td>
<td>100.00%</td>
<td>284,711,549</td>
<td>100%</td>
<td>250,085,797</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

ESF funds in euros, without taking into account national contributions.

Source: Elaborated by the author

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8 This Table has been elaborated from figures from the operational programmes in France, Catalonia and Andalucia. These operational programmes are available online at [http://ec.europa.eu/esf/home.jsp](http://ec.europa.eu/esf/home.jsp) (last consulted on 24 June 2013). The operational programmes from Catalonia and Extremadura are available at [http://www.empleo.gob.es/uafse/es/programando/programasOperativos/index.html](http://www.empleo.gob.es/uafse/es/programando/programasOperativos/index.html) (last consulted on 24 June 2013).
Instead of designing their ESF operational programmes on the basis of the Lisbon guidelines, member states seem to base their choices on domestic priorities. As explained by a French official ‘The ESF serves to fund the French employment policy. The central state first reaches an agreement with the different occupational fields. Then, the ESF division is approached to see which activities can be co-funded’. In Spain, where the regions have significant room to manoeuvre, certain priorities are defined at the regional level. Regional officers do not have direct contact with Commission officials and they may not perceive the Lisbon guidelines as relevant. As a Catalan official responsible for the ESF points out:

‘The Lisbon objectives are very broad. Almost everything fits these objectives, and they are not something that we take into account on a daily basis. (…) The change of government has an impact on priorities; in the last seven years we have had a socialist government that has introduced a lot of changes.’

However, ESF-funded activities may still bear the mark of the various ESF-conditionalities and formatting. Domestic preferences may also be influenced by the Commission’s policy preferences at an earlier stage of the policy process. Existing research shows that European prescriptions influence domestic policy-makers, especially at the stage of policy (re)formulation (Lopez Santana 2006). Even if Lisbon/Europe 2020 goals do not offer a general direction, the ESF is not necessarily a less effective policy tool. As will be shown in the next section, the Commission’s interpretation of Lisbon/Europe 2020 goals can still be reflected in ESF operational programmes when they are taken up by European policy entrepreneurs.

2.2. The Commission’s strategic role: Usages by Europe

Even when Lisbon/Europe 2020 goals are ambiguous, if these are championed by Commission officials, they may still be reflected in the ESF policy documents. The evidence collected shows that the factors that actually enable the Commission to use the Lisbon/Europe 2020 goals strategically are combined in very different ways. There is ample evidence that Commission officials used the Lisbon goals and targets to push for changes in both cases. In France, Commission officials were more engaged with the promotion of a European added-value. Their actual impact was mainly constrained by the resistance of national officials, who wanted to use ESF money to pursue domestic priorities. In Spain, Commission officials seemed less ideologically European, but they also had more room to push for changes since there was less resistance from domestic officials. In Spain, the main obstacles were related to an unfavourable domestic context.

Lisbon goals and targets were used by the Commission as arguments during the negotiation process to push for action at the domestic level. As one Commission official pointed out, when targets are set at the EU level, it is very difficult for member states to argue that ESF

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9 Interview with a French official at the French Ministry of Labour (ESF division).
10 Interview with a Catalan official responsible for the ESF management.
11 Interview with a Commission official at DG Employment (Horizontal unit).

http://eiop.or.at/eiop/texte/2013-002a.htm
money should not be used for this purpose. In addition, whenever an action falls outside of the Lisbon/Europe 2020 goals, the Commission has real power to block it (Verschraegen, Vanhercke and Verpoorten et al. 2011). Country-specific recommendations, even if they are often criticised for their ‘political’ character, are also used by Commission officials to push for reforms or to ensure the allocation of funds for specific goals.

Our interviews confirm that Commission officials hold very different views of their own role. Like officials working at the French desk, some officials are inspired by a European ideology and place more emphasis on the Commission’s priorities. A Commission desk officer trying to promote such a European ideology argues as follows:

‘If we want the ESF to have added-value, we have to be visible and so we need to concentrate the money. The French wanted to use ESF money for education but we will not do that because our money would not make any difference. The national French budget for this area is huge. The Commission tries to reduce the number of priorities in order to make a difference. (…) We have to make a difference on priorities and on quality. We need to have added value. We want to go where member states do not want to go by themselves.’

Other officials, such as ones working at the Spanish Desk in this case, are more vulnerable to institutional pragmatism or even to ‘national capture’ (Hooghe 1996: 2012). Thus, they push less for the integration of the Commission’s policy preferences. For example, one of the Commission officials interviewed affirmed ‘The one who best knows a country’s problems is the country itself’ and that the ‘ESF actions are not the only ones; they should be complementary to member state actions’. This Commission official limited her role to technical implementation of the ESF (making sure that expenses were eligible). Even if the Commission priorities were equally emphasized, this Commission official affirmed that ‘in the end the decision is that of the member state’.

The receptiveness of member states is also a very relevant factor. Congruence between the ideological position of the member state and the position of Commission officials facilitates the negotiation process. The outcome also depends on the negotiating power of the member state. In the Spanish case, the last negotiation process (programming period 2007-2013) was considered to be easy since there was no fundamental disagreement about the definition of the problems and about the appropriate measures to deal with them. According to a European official ‘We want the same kinds of things; the only thing is that the Commission would like to do them faster’. This congruence may be explained by an EU influence at an earlier stage of the policy process. As highlighted by Lopez Santana ‘the EES has highly influenced the stage of policy definition in Spain’ (Lopez Santana 2006: 487).

In France, however, there was a fundamental disagreement about priorities. The Commission wanted to allocate more funds to adaptability while the French government preferred to direct ESF funds to fighting social exclusion. Thus, the negotiation process was very

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12 Interview with a Commission official at DG Employment (French desk).
13 Interview with a Commission official at DG Employment (Spanish desk).
14 Interview with a Commission official at DG Employment (Spanish desk).
15 Interview with a Commission official at DG Employment (Spanish desk).
complex and many meetings were needed to reach a final agreement on the French operational programme.

Finally, Commission officials also have to adapt to domestic contexts. The Lisbon/Europe 2020 guidelines are seen as important, but as one Commission official puts it, ‘Even if a new document has been adopted, this does not mean that our problems will change’. Each geographical unit at DG Employment adapts Commission priorities to the sub-national context by taking into account their own analysis of the labour market. Even if EU desk officers would like to promote Commission priorities, certain contextual factors such as the economic crisis or extremely high rates of unemployment can bring them to accept (or even promote) measures that are in contradiction with the Commission position: ‘…in Spain there are some areas where the rate of unemployment is 40%. In this case, we accept any kind of measures to foster employment including direct support to business for the creation of temporary contracts’. Commission officials refuse to use ESF money for this purpose in other Spanish regions where the rates of unemployment are not so high.

3. The translation of the European Social Fund into domestic agendas: Walking the walk?

Even if European priorities are reflected in the ESF operational programmes, their actual implementation in the territories is still not ensured. In this section, the combination of factors that are necessary to ensure European impact and thus implement Commission’s goals will be examined. Secondly, it will be shown how broad goals, which are typical of mainstream ESF, lead to usages of Europe in line with the agenda of individual actors or domestic preferences.

3.1. When usages by/of Europe lead to EU impact

The ESF serves to implement Commission priorities when a combination of INUS conditions is present; for example the existence of precisely defined priorities, the presence of facilitating factors and effective monitoring capacities.

3.1.1. Goals that clearly reflect Commission’s priorities and give a clear-cut direction

In contrast to the all-encompassing Lisbon/Europe 2020 goals or the objectives of mainstream ESF, certain goals supported by the EQUAL programme reflected Commission priorities more clearly. This was possible because Community programmes such as EQUAL were directly designed by the Commission (Hartwig 2007). Thus, even if member states could still pursue a pick-and-choose strategy, they had to select among a narrower range of priorities. Table 4 shows that in all regions under analysis with the exception of Limousin,
two-thirds of the projects (around 65%) selected the broad priorities employability and entrepreneurship. In Limousin, local actors were less involved, which may explain why there was more room for the implementation of specific Commission priorities.

According to local actors, EQUAL contributed to the introduction of new issues in around one-third of the cases. It is likely that these cases correspond to the one-third of the projects that implemented specific priorities. The Commission priorities that had a stronger impact in Spain were the most specific: gender equality and the diffusion of new technologies (ECOTEC 2006). EQUAL contributed to the integration of the following into French employment policies: objective 3E on life-long learning and objective 4 on equal opportunities (Ministère des Affaires sociales and COM 2005).

Table 4: Number of projects and type of priorities

<table>
<thead>
<tr>
<th></th>
<th>Catalonia</th>
<th>Extremadura</th>
<th>Pays de la Loire</th>
<th>Limousin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of EQUAL projects</strong></td>
<td>31 out of 389 in Spain (7.8%*)</td>
<td>20 out of 389 in Spain (5.14%)</td>
<td>15 out of 451 in France (3.3%)</td>
<td>6 out of 451 in France (1.3%)</td>
</tr>
<tr>
<td><strong>Type of priorities and projects</strong></td>
<td>7 out of 11 projects (64%) selected broad priorities</td>
<td>6 out of 9 projects (67%) selected broad priorities</td>
<td>10 out of 15 projects 66.7% selected broad priorities</td>
<td>3 out of 6 projects (50%) selected broad priorities</td>
</tr>
</tbody>
</table>

*Percentages refer to the total amount of projects implemented in the member state.

**Source**: Elaborated by the author from information from the EQUAL database.

The existence of detailed priorities is just the first stage of the transformation process and is by no means sufficient. Project managers are asked to do something that they would not do otherwise and do not know how to do.

**3.1.2. Domestic and European facilitators**

Facilitators can be found both at the European and domestic level. The appropriation of the EU by domestic actors to advance their own agenda, also known as leverage effect, is emphasised by the usages of Europe approach (Graziano, Jacquot and Palier 2011). For example, some members of the Conseil Economique et Social in France elaborated a detailed report on lifelong learning inspired by EU discussions. This report supported the organization of awareness-raising activities on this topic and proposed specific measures adapted to the French educational system (Conseil Economique et Social 2001). In the Pays de la Loire, this
report was later used by the association CARIF-OREF to expand its activities through the implementation of an EQUAL project in the region.\textsuperscript{19}

Technical assistance has also played a key role in both countries even if it has taken very different administrative forms (a department within the government in Spain and a semi-autonomous agency in France). The role of these institutional facilitators and their interaction with domestic actors is often overlooked.

Technical assistance can be activated by project managers willing to take advantage of European opportunities. For example, in Spain, a large proportion of EQUAL funds were allocated to gender equality (30\%). Even if funds were available to design projects on this topic, the potential project managers did not have the required skills. Thus, they asked the UAFSE (Unidad Administradora del Fondo Social Europeo-UAFSE), which is the administrative body in charge of the technical assistance in Spain, to provide a toolkit and to organise training workshops on gender equality.\textsuperscript{20} Even if RACINE, the autonomous body in charge of ESF technical assistance in France, also received demands from project managers, the capacity-building process was not particularly bottom-up during the EQUAL period. The priorities that were promoted the most were those supported by the central state or the Commission.

3.1.3. Effective monitoring capacities

The Commission can also push effectively for change, but only if it has at its disposal an effective monitoring capacity. The 2006 ESF Regulation gives the Commission the possibility to sanction member states through several procedures such as the interruption of payments and financial corrections. But the Commission cannot argue that the funds have not been properly managed if the goals are unspecified or if there are no independent evaluations. Unlike some other programming instruments, EQUAL meets these requirements. Evaluation reports had to be drafted by external services selected on the basis of a call for tenders.

When sufficient monitoring capacities were available, the Commission used midterm evaluation reports to push for the implementation of specific priorities. For example, in France, the Commission issued a recommendation to integrate measures to promote gender equality more consistently on the basis of the French midterm evaluation report (Ministère des Affaires sociales and COM 2005).\textsuperscript{21} Thus, France was obliged to organise workshops and seminars to raise awareness on this topic, and only after these additional efforts was the topic taken into account by organisations active in the employment field. RACINE took responsibility for developing didactic material on equal opportunities and promoted this topic within the regions. In sharp contrast, the Spanish midterm evaluation report did not identify any significant gap in the implementation of specific priorities (ECOTEC 2006). Therefore the Commission did not need to play a similar role.

\textsuperscript{19} Interview with an EQUAL project manager (Pays de la Loire).

\textsuperscript{20} The guide is available at http://mzc.org.es/formacion/docs/herramientas/guia_perspectiva_genero_equal.pdf, last consulted on 24 June 2013.

\textsuperscript{21} Interview with a programme manager at RACINE (Paris).
3.2. Usages of Europe without EU impact

Certain objectives in the employment domain, such as employability and entrepreneurship, are usually framed in such a broad way that they do not give a clear-cut direction. Thus, the content of specific actions is defined by the ideology or preferences of the project managers. As expected, this section shows that when sub-national actors are granted greater autonomy, as is the case in Spain, it is easier to bypass the preferences of the central state.

3.2.1. Variation across countries: The relevance of domestic institutional background

In both France and Spain, the responsibility for the management of the Structural Funds is shared between the central state and the regions. In Spain, sub-national authorities and private actors are given certain flexibility in the use of central funds (Lopez Santana and Moyer 2012). The autonomous communities have their own operational programmes (managing 40% to 65% of the total amount of funds depending on the topic). In France, the regions can also obtain global grants of up to 40% of the total amount of funds allocated for use in the region. Even if both countries have adopted this mixed system, the pervasive centralisation of the French administrative traditions and rules leads to much stronger national pressures in this country.

The prominent role of the French central state as gate-keeper is shown through two factors: the complexity of national administrative rules and procedures and the dispersion of funds (Balme and Jouve 1996; Smith 1997). First, given the complexity of French rules, local officials need the support of national officials ‘trained and selected on the basis of their capacity to master complex bureaucratic procedures’ (Smith 1997: 718). The French central state has its own specific national expertise on regional planning. This expertise has been developed since 1963 by an inter-ministerial department, the DATAR (Délégation interministérielle à l’aménagement du territoire et à l’attractivité régionale).

Second, the dispersion of funds in France has prevented the empowerment of local authorities and thus, it has been much easier for the central state to maintain its central position. The French central government is involved in the wide-ranging distribution of funds at minute levels, which maintains central authority but can be inefficient. In 2007, for example, the French government signed 2,462 different contracts with some 350 intermediary bodies. In the same year, Spain declared 47 intermediary bodies, which implies about half the administrative paperwork. Thus, in 2007, Catalonia received an envelope of 76 million euros to implement its own operational programme, while in 2010 the French region Pays de la Loire was responsible for the implementation of 4 ESF projects covering 21 million euros for all projects. In France, many funds are also managed by the regional offices of the National Agency for Employment (e.g. ANPE-Pays de La Loire was given 38.6 million euros in 2007).

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22 A Commission official interviewed referred to 300 intermediary bodies, while there were 350 in 2010 according to Yung (2011).
The French pervasive centralisation through the dispersion of funds is also reflected in the Community programme EQUAL. While in France EQUAL funds were scattered among a great variety of actors, most of the funds in Spain were spent or distributed by sub-national governments. According to the EQUAL database, 185 out of a total of 229 partnerships (80.8%) in Spain were coordinated by public organisations while in France only 38 out of 256 project coordinators (14.8%) had this legal status. The pre-eminence of public bodies in Spain is explained by the difficulties that other entities experienced in raising sufficient cash flow to assume the coordination tasks (ECOTEC 2006).

3.2.2. How domestic institutional backgrounds shape ESF usages by local actors

Since there was more room to manoeuvre in Spain, mainstream ESF funds could be used by some jurisdictions to develop employment policies which opposed those developed by governments at other levels.23 For example, Catalonia supported plans for the promotion of equal opportunities within the business community. This activity could not have been funded with the ESF funds managed directly from Madrid, since they were supposed to be used for supporting public administrative bodies.24

The implementation of the EQUAL programme in Spain also offers evidence of competition between local authorities. The development of alternative employment policies has been used by city councils to increase their institutional legitimacy. This was affirmed very clearly by a policy officer from the Barcelona city council:

‘The socialist city council feels that employment policies should be set at the local level (...) consequently, we assumed some tasks even if we had no legal authority in this area. We do not have any money to implement such activities, so an extraordinary effort is needed (...) We used the European Union to develop local employment policies, which is a domain where we had no authority...’25

The cases presented above are not exceptional. Table 5 shows that most of EQUAL projects implemented in 2002 by local authorities in Catalonia and Extremadura were managed by left-oriented local authorities. These projects aimed at the insertion of people facing discrimination, such as women, migrants or poor suburb-dwellers. Non-profit groups in these regions also used European funds for similar purposes.

In Catalonia, EQUAL was implemented by a variety of local actors to promote left-oriented employment policies which were not aligned to the more conservative regional preferences.

23 There are many examples in Spain where city councils decide to use EQUAL when the regional government has another political colour, for example in Badajoz, Malaga, Huelva, Lugo and La Coruña.
24 Interview with a Catalan official responsible for the ESF management.
25 Interview with an EQUAL project manager at Barcelona Activa. In this specific case, the Barcelona city council was ruled by socialists while the regional government (in charge of employment policies) was ruled by conservatives and Christian democrats.
In contrast, most of the EQUAL projects (3 out of 5 in 2002) in Extremadura were managed directly by the regional government, which was ruled at that time by the left. A clear leadership by the regional government is characteristic of several Spanish regions which used EQUAL as an additional resource to develop their own employment policies, which were not always aligned with the national priorities (ECOTEC 2006). Even if there was less room for local competition in Extremadura, the city of Badajoz managed to implement a project that clearly reflected a contrasting ideology. This local authority, similar to other economic and professional organizations, used the ESF money to attract firms or for the adaptation of the labour force to new economic trends.

Table 5: The usages of EQUAL by local authorities

<table>
<thead>
<tr>
<th></th>
<th>Catalonia</th>
<th>Extremadura</th>
<th>Pays de la Loire</th>
<th>Limousin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of project</strong></td>
<td>19 local</td>
<td>12 local</td>
<td>1 local authority</td>
<td>1 local authority</td>
</tr>
<tr>
<td><strong>coordinator</strong></td>
<td>authorities</td>
<td>authorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ideology and</strong></td>
<td>6 out of 7</td>
<td>5 out of</td>
<td>The Nantes City</td>
<td>Departement</td>
</tr>
<tr>
<td><strong>projects</strong></td>
<td>projects managed by left-</td>
<td>6 projects managed by left-</td>
<td>council, ruled by PS</td>
<td>general Creuze,</td>
</tr>
<tr>
<td></td>
<td>local authorities</td>
<td>local authorities</td>
<td>PS</td>
<td>ruled by PS</td>
</tr>
<tr>
<td><strong>Relationships</strong></td>
<td>Competition</td>
<td>Leadership</td>
<td>Cooperation</td>
<td>Cooperation</td>
</tr>
<tr>
<td>between <strong>regional and</strong></td>
<td>between sub-</td>
<td>by regional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>local authorities**</td>
<td>national governments</td>
<td>government</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Elaborated by the author from information from the EQUAL database.

Table 5 shows that only a minority of EQUAL projects were implemented by local authorities in France. Given the key role of its centralised government, these political usages are less likely in France. Even if the regions can implement their own global grants, the nationally appointed prefet still plays a key role in their management and implementation (Ferry, Gross, Bachtler and McMaster 2007). Local authorities are obliged to negotiate with the central state and thus, they do not have much room to manoeuvre. European funds are also tied up with national institutional constraints such as contracts with the central government (Smith 1997). The implementation of EQUAL in France also offers a clear illustration of this pervasive centralisation. France developed a category of ‘national’ projects which represent 19% of the total, which is rather high compared to the percentage of projects implemented at the regional level. The projects implemented in Pays de la Loire and Limousin are only respectively 3.3% and 1.3% of the total (see Table 4). Additionally, in some regions, some so-called regional projects were led by entities based in Paris (6 out of 11 analysed in Limousin).

http://eiop.or.at/eiop/texte/2013-002a.htm
According to my interviews in Pays de la Loire, EQUAL funds were only used to support existing national policies such as the Local Plans for Employment (PLIES) or the ANPE. For example, the only local authority in charge of an EQUAL project in Pays de la Loire, the Nantes City Council, clearly defined it within the framework of the local PLIE. Likewise, the Limousin region was closely associated with many activities of the CREUS’AC project coordinated by the Conseil general de la Creuse. Thus, this project was not designed on the basis of ideological considerations. It reflects ideologically neutral problems of the territory (e.g. in this case depopulation).

**Conclusion**

This article shows that the ESF can be employed to translate the Commission’s priorities into concrete actions. The combination of top-down Europeanisation with the usages of Europe offers an original and valuable contribution to understanding the translation process at various stages of the policy cycle. This approach also makes it possible to identify the combination of causes that are jointly sufficient to translate Lisbon/Europe 2020 goals into domestic action through the ESF.

First the article has shown how the Commission’s specification of Lisbon/Europe 2020 goals can be reflected in ESF operational programmes. Even if member states tend to support their own policy preferences in the negotiation process, Commission officials can still use Lisbon/Europe 2020 goals to push for the integration of the Commission’s priorities (talking the EU talk). Commission officials at the French desk were very prone to push for changes given their European ideology. However, the integration of Commission’s priorities into the programming documents encountered much resistance from domestic officials, which constituted a major obstacle. Commission officials at the Spanish desk seemed to place less emphasis on promoting an EU added-value, but they could still push for the implementation of Commission’s priorities since domestic and European officials shared the same views on policy solutions. However, domestic changes in this case were limited by high rates of unemployment in several regions.

Secondly, this article has shown that Commission’s priorities can be translated into domestic agendas through the ESF (walking the walk). This outcome is much more likely when European pressures are well-defined and specific, when there are facilitating factors and/or when the Commission has sufficient monitoring capacities.

When European goals remain broad or ambiguous, the ESF has mostly been used to pursue the agenda of domestic actors. Our findings reveal considerable room for variation across countries. The usages of Europe differ in national contexts, and are affected by variables such as the level of economic development and the level of centralisation. In France, a pervasive centralisation leads to an implementation process rather consistent with national preferences. In Spain, there is much greater room to manoeuvre for local authorities, which has led to competition among employment policies at different levels of governance. This competition is not only apparent between the national government and regional governments, but is also visible among sub-national authorities.
Even if particular institutional factors that facilitated change in the past at the domestic level are absent in the current programming period (e.g. suppression of Community initiatives, more flexible rules regarding evaluation), the ESF can still contribute to the implementation of Europe 2020 if European officials and domestic actors make use of its goals and the new institutional opportunities it offers (e.g. stronger country specific recommendations under the European semester).

References


