
Changing Patterns of European Governance(1): Introduction to the Symposium

Nils C. Bandelow

The progress of European integration causes different constraints and options for national politicians. The German discussion on this multi-level governance starts with Fritz Scharpf's application of his joint decision theory on EC's institutional setting. In the original version, Scharpf claimed that European integration primarily occurs in the field of negative (economic) integration because of the many obstacles for positive (political) integration (cf. Scharpf 1988). Focussing on European Council's decision-making Scharpf named the unanimity principle as one of the most important reasons for blockades of new regulatory policies designed to curb negative externalities emerging from market activities. Especially in fields of social, health, safety and environmental process regulation, but also in macro-economic employment policy and industrial relations positive integration will be hampered by the different interests of rich and poor memberstates. Meanwhile there are several theoretical arguments and empirical results demonstrating that there are at least exceptions to the logic inherent in the so-called joint decision trap (cf. Jachtenfuchs and Kohler-Koch 1996; Kohler-Koch 1998).

So by analyzing multi-level governance questions arise about how and under which conditions politicians (can) escape the trap of regulatory rise to the bottom. While most scholars either argue for preservation of national problem solving capacities or for ways to stimulate positive integration, the papers presented in this symposium argue for (different) forms of "soft regulation". The third way of governance presented by *Klemmer, Becker-Soest and Wink* includes strategies which focus on intergovernmental coordination to improve *the use* of remaining problem solving capacities by national governments. Within this soft regulation the European Union may serve as a "virtual learning forum".

Klemmer et al. prove governance by stipulating learning processes by analyzing national labor market policies. Formally, the European Union has got little legal powers to influence national labor markets. Nonetheless, labor market policy is one of the most urgent problems of industrialist countries. Restricted by negative regulation and the impact of international competition, politicians have to look for new strategies to handle the specific problems of their national labor markets. The search, adaptation and implementation of new political strategies can be analyzed by using the paradigm of political learning. This paradigm has gained increasing attention within public policy analyses (cf. Sabatier and Jenkins-Smith 1993, Knoepfel and Kissling-Näf 1998). Within political science, many competing approaches of learning have been developed: Learning has been grasped as any change of belief systems or only as improvement of cognitive knowledge. Individuals, corporative or even collective actors have been analyzed as objects of learning processes. Within this confusion of political science, Klemmer et al. refer to institutional economics, applying a psychological learning model that focuses on the enlargement of the individuals' knowledge.

Strategic learning by individual politicians may be hampered by many grounds: Politicians may only focus on short-term policy impacts to win elections, they may only learn from experience of states with similar institutions and traditions or they may fail to apply successful strategies of other countries to their home situation. It is the aim of the European Union's soft regulation to overcome and avoid these forms of "pathological learning". The article argues that within labor market policy supranational coordination, the institutionalization of benchmarking, the extension of information, the exchange of personnel and the development of competitive implementation settings could contribute to political learning of national actors or still improved national labor market strategies.

While Klemmer, Becker-Soest and Wink direct their empirical lens towards the narrower field of labor market policy, the paper presented by *Roth and Schmid* includes labor market policy and employment policy as well. Nevertheless, this second contribution completes the view of institutional economics by making a classical argument of political institutionalism. Roth and Schmid develop a conceptual framework based on policy network analysis with a particular focus on the implementation process. The paper "Governance

of Complexity” argues, that the EU’s dynamic multi-level system is both diverse and unified. There is a great number of possible relations between the national and supra-national elements of policy implementation networks. The authors describe this complexity within their example of employment and labor market policy, which can be noted to show a special variety of national implementation systems. The concrete research focus is the implementation of the ADAPT program in Austria, Germany, Great Britain and the Netherlands. The paper points out three key components of European labor market policy networks: (1) the organizational structures of national labor administrations, (2) the general features of the political system and (3) the degree of industrial relations system’s corporatism. It argues that a decentralized organization of national labor administrations – as it can be observed in the Netherlands, the UK and in Denmark – may have the greatest innovative capability and problem-solving capacity. But it will only work well if the political strategy fits into the national conditions of the political-administrative system and the level of corporatism. Considering the diversity of national conditions the European Commission has to opt for “soft instruments” of policy coordination by involving concerned (and local) actors in patterns of partnership and exchange. The ‘Territorial Employment Pact’, a new decentralized and participatory approach launched by the Commission, is cited as a promising example of a more appropriate governance strategy.

The paper presented by *Eberlein and Grande* specifies the analyzes of the combinatory effects of European political strategies and particular national institutions. The article “Regulation and Infrastructure Management: German Regulatory Regimes and the EU Framework” concentrates on the interplay of national regulatory institutional change and the European integration dynamic. The empirical subject is the decline and dismantling of the particular German active state in three central sectors of infrastructure (telecommunications, railways and electricity). Until recently, the German state took a very active role in infrastructural management by providing public services with general access. The so called “Leistungsstaat” has been dismantled in the 1990s by privatization and liberalization measures. In order to guarantee the further provision of public goods the active state was replaced by regulatory institutions. Within this regulatory frameworks the European Union plays an increasingly important role. However, national patterns of sectoral

regulation have not been forced into convergence. Different types of EU regulatory regimes can be observed instead. These regimes can be distinguished upon the autonomy of national and European agencies and as well by the form of interplay between both. The so-called “Regulatory Forum” regime is of most interest, as it can be observed in the key examples of the paper. Within this model, the EU brings together experts, officials and representatives of societal interests both from the national and the EU levels. It can be marked as another form of soft governance to avoid the blockades and limitations of positive integration. Using the framework of general European directives the forum strategy enables the commission to affect national strategies even in fields without strong European legal powers.

The article by *Bandelow, Schumann and Widmaier* can be interpreted as the discussion of a possible strategy of the European Commission to use such forums (among other forms of networks) by linking policies of different fields. Thereby the Commission may achieve its assumed goal to enlarge the weight of supranational governance. The starting point of the paper was that the European multi-level system shows similarities to the political system of the United States. Therefore the paper suggests that we can find similar bargaining strategies in both cases. An analysis of policy-making processes in the United States stresses the importance of logrolling procedures within the US-Congress to overcome decision-making blockades. Logrolling is a special type of package deals between public actors (members of parliament). While there may be similar forms of package deals within the European Council – which has functions, in a way, most similar to Congress – we can also observe the emergence of a special type of package deal within the European Union. This type does not only involve public actors but also private actors, namely large firms, who agree on deals with the European Commission. The Commission is interested in deals with these firms, because large firms have important resources like information about policy impacts and influence on member states’ governments. They can also serve as partners of the European Commission to use soft governance in fields where it has no strong legal powers. Large firms are not always interested in supporting the European Commission’s soft governance: They may be interested primarily in the world market or they may aim to protect their national market against European competitors. The paper argues, that despite of contrary interest structures the Commission can force large firms in different branches to support their policies by offering

multi-domain package deals. By doing so, it can link its regulatory competencies and financial resources in some fields to win influence in other fields.

The comparison of these special type of package deals with the theory of logrolling illuminates, that the welfare effects of this form of soft governance need not be negative. But there are legitimation problems because of a lack of public mandat and control. The hypotheses are discussed within two branches: biotechnology and energy, because both show important differences. Nevertheless we can observe the emergence of a similar type of package deal.

Summarizing the main theses of the symposium, we can find several options for soft governance within the European multi-level system. Soft governance is of major important in all policy fields and it may be the only option in some areas, as the article of Klemmer et al. demonstrates. In other fields we can observe a combination or even a linkage between soft and conventional types of governance. Knowledge and use of the strategic options relevant in the special policy area can enable politicians and interest groups to overcome the decision-making blockades of positive integration.

Notes

1. The symposium on “Changing Patterns of European Governance” presents first results of four projects promoted by the Deutsche Forschungsgemeinschaft (DFG). They are all part of the interdisciplinary research program „Governance in the European Union“, coordinated by Beate Kohler-Koch, University of Mannheim. The research program aims at making theoretical and empirical contributions towards a better understanding of the possibilities of and limitations to European governance. Governance is understood as the adoption and implementation of collectively binding decisions. The papers presented in this symposium discuss the influence of European integration on national policy-making against the background of controllability and legitimacy. All contributions regard the European Union as a multi-level system *sui generis* which shows particular patterns of governance. The term “multi-level system” indicates that the EU includes the political institutions of its member states into an encompassing system.

References

Jachtenfuchs, Markus and Beate Kohler-Koch (eds.). 1996. "Europäische Integration." Opladen: Leske + Budrich.

Kohler-Koch, Beate (ed.). 1998. "Regieren in entgrenzten Räumen" (Politische Vierteljahresschrift, special issue 29). Opladen: Westdeutscher Verlag.

Sabatier, Paul A. and Hanck C. Jenkins-Smith (ed.). 1993. "Policy Change and Learning. An Advocacy Coalition Approach." Boulder/San Francisco/Oxford: Westview Press.

Scharpf, Fritz W. 1988. "The Joint Decision Trap: Lessons from German Federalism and European Integration." In *Public Administration*. 66, pp. 239-278.

Scharpf, Fritz W. (ed). 1997. "The Problem-Solving Capacity of Multi-Level Governance. Symposium." In *Journal of European Public Policy* 4, pp. 520-664.