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*Towards a Europeanization of Socio-Economic Discourses?
How the Co-ordination of Fiscal and Employment Policies is
Reflected in the Quality Press of Large Member states¹*

Christoph O. Meyer, Jean Monnet Chair, University of Cologne

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The Amsterdam Treaty has provided for procedures and rules to co-ordinate and review national employment and fiscal policies, whilst leaving national competencies in both areas intact. A major part of the Govecor research project studies how and why socio-economic policy co-ordination has impacted on (national) public discourses. The underpinning expectation of this workpackage is that the new legal provisions in the field of fiscal and employment policy co-ordination have opened new channels of access and influence to a greater number of national, transnational and European actors. They also provide for the publication of the main results of the employment and fiscal policy review process via a variety of means, including the mass media. Yet, the public nature of the review processes is not only a key instrument to induce policy learning and foster compliance with common goals, but also to enhance the legitimacy of self-co-ordination by improving the discursive linkage between policy-making networks and the citizenry. The focus on publicised discourses complements the study of governing networks in implementing the procedures for peer review in two vital fields of European public policy.

The major thesis to test within this workpackage is whether and to what extent the co-ordination procedures in the area of fiscal and employment policy have in fact stimulated more inclusive and deliberative processes within and across European and national spheres of public discourse. In addition, this workpackage seeks to understand the conditions under which transnational governance feeds-back into public discourse and aims to assess the repercussions of our findings for the effectiveness and legitimacy of these two governing modes. The present paper attempts to provide some preliminary answers to these questions by focusing, firstly, on the development of media attention devoted to these two governing modes and, secondly, on how critical recommendations coming out of the peer review process are reflected in publicised debates.

As empirical evidence we use the results of content analysis of quality broadsheets in three selected member states as well as standardised interviews that have been conducted with practitioners who are closely involved in the communication of these policies, either on the side of the media or on the side of governmental and institutional bodies. The present paper draws also on the two rounds of national reports drawn up by national experts from ten EU member states. Despite this rather broad empirical base further research in both depth and breadth is necessary and the midterm results should be regarded as preliminary.

Public Discourse as the Litmus Test for Policy Co-ordination?

Policy co-ordination can be described as a mode of governance aimed at voluntary convergence and adaptation of national policies towards common objectives, performances and to some extent also of policy approaches, but not a harmonisation or centralisation of rules and institutions (Jacobsson 2002: 4). Hence, the main emphasis is on learning, persuasion and peer pressure, rather than the strict enforcement of central policies. This has led a number of observers to suggest that policy co-ordination and its younger counterpart, the open method of co-ordination, could prove to be the answer to the dilemma of how improve member states problem-solving capacity without further eroding national autonomy (Scharpf 2001). However, the empirical data concerning the practice of policy co-ordination is still thin and the generalisations across policy fields prove to be difficult, not least because the provisions for peer review vary considerably across several dimensions. We suggest a

typology of co-ordination modes based on the means that are employed to induce member states to follow common rules, objectives, guidelines or recommendations (Linsenmann/Meyer 2002; Hartwig/Meyer 2002). Do they consist of substantial, if unlikely fines, "naming and shaming" through the publication of critical recommendations to member states, or do they just involve peer pressure and or voluntary dialogue behind closed doors? Are the guidelines and indicators ambiguous and mainly qualitative or are they quantitative and formulated as national targets?

In terms of the legal provisions for sanctions, we can clearly define fiscal policy co-ordination as "hard" (possibility of substantial fines) and employment policy co-ordination as "soft" (no fines foreseen). However, since the constitution of the fiscal policy rules in Dublin and later in Amsterdam, fines have never been applied, nor were they seriously considered, which takes us back to the question of whether the annual peer review cycles works in practice, whether it can induce learning, voluntary adaptation and even compliance through the imposition of reputational costs. We can distinguish different visions of peer review: the first most wide-reaching vision conceives of peer review as a means for political and non-state actors to learn from each other, a stimulus of Europeanized and transnationalized public discourses and a conduit for the diffusion of knowledge, ideas, values and meaning. The second intermediate vision emphasises how peer review strengthens governments, who use it to learn about best practices for improving domestic policy performance, to gain in domestic prestige through the symbolic presentation of influence at the European level, and to avoid all reputational and financial costs associated with the domestic impact of critical recommendations and decisions. The third vision, finally, emphasises the role of peer review as a largely technocratic process of administrative learning, shaped by technical evidence, scientific reasoning and bounded rationality, but removed from domestic public politics.

Looking at the Treaty articles tells us relatively little about which of these visions applies in the case of the selected two policy fields. There are indeed remarkable similarities in the policy cycles, with member states proposing action plans and convergence/stability reports, the Commission evaluating these reports and proposing new guidelines and country specific recommendations and finally the Council adopting, changing or rejecting these guidelines and recommendations. If we want to know more about how peer review works in practice. One part of the project looks at the way the provisions are implemented at the national level, another at the way decision-making and deliberation proceeds at the level of EU committee. The present paper seeks to explore another angle, namely how these new procedures for self-governance are linked to public discourses. Sceptics may pose the question of why public discourses matter in terms of finding theoretical explanations and coming to a (normative) evaluation of governing modes. To what degree is it, for instance, possible to trace a political actor changing his/her mind to the development of public debates on a given issue?

It is a rather recent development, that the role of public discourses is increasingly being discussed as a mediating or intervening variable to explain the domestic adaptation of policies, institutions, procedures, ideas, and identities to European integration and governance (Schmidt, Hay/Rosamond 2002; Risse 2002). One framework of this debate is neo-institutionalist theory. In particular, sociological institutionalists argue that the rational choice focus on how institutions influence outcomes by mediating the interactions of exogenously derived preferences is too narrow since institutions and actors are mutually constituted. In their view, institutions are broadly defined as the framework of ideas, identities and discourses and norms, which act as lenses or script through which actors perceive their interests. The study of discourses thus offers jigsaw pieces to the puzzle of how a given set of supra-national rules is being followed at the national level and how differential adaptation

processes can be explained. Vivien Schmidt (2002, 9 ms) sees discourse as a complementary causal variable to remedy the deficits of the three institutionalisms (Hall/Taylor 1996) to account for different dimensions of political change, in particular their weakness to explain how political actors alter perceptions of their interests, how new institutional paths are being established, and how new cultural rules are being created. Hence, public discourses come into this picture as a cross-cutting variable, the application of which is not necessarily limited to explaining socialisation and learning process underlined by sociological institutionalists or advocated by theorists of deliberative democracy. 4

However, we believe that public discourses can only be understood and operationalised as an intervening variable, if they are placed within the context of the formal and informal institutions of political communication in modern western democracies. When studying public discourses, it is important to realise that these are in fact thoroughly mediated discourses. Political leaders, parties or other 'norm entrepreneurs' as Börzel/Risse (2000: 9) call them, are not capable of shifting political ideas on their own. They need to pass the gatekeepers of publicised discourse to reach a broader audience and they need support from other sectors of civil society, including that of journalist commentators to push a debate forward. The news media play a crucial role in building and shaping public discourses on political issues, not only with regard to policy co-ordination cycles. They act as an interface, gatekeeper, agenda-setter and opinion-entrepreneur and advocate in-between the political system and citizenry (Jarren/Sarcinelli/Saxer 1998; Bonfadelli 2001). By giving visibility to an issue, and opinion, or a process, they foster opinion formation, draw in new intermediary groups and individual citizens, attribute reputational costs and gains. It will be crucial to the use and development of policy co-ordination as a new governing mode, whether and how the news media have made the process, the actors and the issues visible.

However, this will in turn depend to a substantial degree on how policies are being communicated by ministers, commissioners, spokespeople and other information professionals of EU institutions, member states and interest groups. In order to understand the origins and effects of publicised discourses and opinion, we need to understand the interplay of political system and political journalism. Hence, we follow the lines of constructivist thinking when highlighting the role of discourses as an intervening variable for explaining the functioning of European governance but add an institutionalist perspective by arguing that its causes and effects can only be understood by taking rules and mechanism for the selection of news worthy media content into account.

The role of public discourses as an intervening variable is particularly relevant when studying policy co-ordination. Jacobsson describes policy co-ordination in the field of employment policy as "a discursive regulatory mechanism" (Jacobsson 2002 ms 9) geared towards the creation of knowledge and meaning through communication. In contrast to other governing modes, the driving force of policy-co-ordination is not the imposition of legally-binding rules but the power of public discourses to support the process of voluntary deliberation and adaptation; member state governments can be expected to follow policy co-ordination procedures in letter and spirit if a) they regard arguing instead of bargaining as a good in itself, b) they expect to gain from them in knowledge or legitimacy or, c) they fear that non-compliance is likely to lead to reputational costs through peer pressure and negative publicity. However, the role of public discourses is not only an important factor to influence member state behaviour and thereby the efficacy of policy co-ordination, but influences also the legitimacy of new forms of governance, which are sometimes criticised for blurring lines of accountability for policy-making and strengthening the power of national executives. In order to prevent these familiar syndromes of EU policy-making, a stronger role is need for domestic

public discourse to effectively scrutinise their representatives and to take foreign best practices, concerns and recommendations into account. Thus, we need to ask whether the new provisions have fostered public awareness and diffusion of common European concerns and guidelines as well as foreign viewpoints and they have induced transnational public opinion formation on the issues at stake. ⁵

Following this line of argument, the "Discourse workpackage" of Govecor seeks to address the following three questions of which the present paper will address the first two:

1. To what extent did the provisions for policy co-ordination lead to an intensification of public discourses over time? Can we identify a parallelism or a direct correlation between the cycles of fiscal and employment policy at the European level and the news coverage at the national levels?
2. To what extent does peer pressure translate into public pressure? How do the media portray critique by EU institutions and other governments? Which actors are given most visibility and how are they being commented upon? Are key ideas being diffused from the European to the national level? (employability, anti-cyclical budgetary policy) How can we explain these findings?
3. Do we see the emergence of a transnational discourse on issues of socio-economic governance, for example in the form of rising references to foreign and supranational actors (Vertical Fusion)? Moreover, to what extent can we identify discursive linkage building between functionally interdependent issue areas of socio-economic governance? (Horizontal Fusion)

Methodology of Media Content Analysis

If we want to answer the questions outlined above the first challenge in studying mediated discourses is to ensure a high degree of validity and reliability. National public discourses are not identical with what political leaders are quoted with in newspapers and on television, or what media commentators say or write. Describing public discourses by a seemingly random selection of statements from political representatives or editorials as done by some authors leaves the analysis open to the charge of subjectivism. Hence, one needs an appropriate methodology for the analysis of media content, ensuring representativeness in the selection of news media products and reliability in the qualitative interpretation of media content.

When selecting the articles, the challenge is to exclude as much of the irrelevant content by means of the right search terms, while not excluding too much of relevant data. However, for the statistical analysis and for comparative purposes it will be better to have less, but more relevant material than the other way around (Hagen 2001: 348). Therefore, for the analysis of the frequency of media coverage, we have identified key words, which directly relate to the both cycles of policy co-ordination (see Annex, individual figures). We have tested and refined these terms by using them on the Lexis-Nexis database with all the articles of the respective papers since 1997. We ran these searches and saved the results of our findings to files. In a third step we eliminated all the articles in our selection, which were either duplicates (due to the different editions of newspapers) or were not sufficiently relevant, for example if the key word appeared just as a passing remark in one sentence or in an irrelevant context. The rule was that at least one paragraph in the article should deal with the European provisions for policy co-ordination. The selection included editorials, opinion pieces as well as news stories of more than two paragraphs. It did not include letters to the editor.

In order to answer the first of our three research guiding questions concerning the intensification of EU-related coverage of the two policy fields, we followed a quantitative approach by tracing the development of media coverage since 1997. For this purpose we selected all relevant articles (2303 altogether) which appeared in six quality broadsheets between 1 January 1997 and 6 November 2002 in the three largest EU member states: The UK, France and Germany. The choice of countries was motivated primarily by the importance of these countries for political decision-making in and economic performance of the European Union. We also have considerable variation between these countries with regards to key characteristics of political systems as well as national social security systems. In order to increase the applicability of our findings, we have selected one paper from the centre-left and one from the centre-right spectrum, i.e. the Guardian and The Times for the UK, the Süddeutsche Zeitung and Frankfurter Allgemeine Zeitung for Germany, and finally, Le Monde and Le Figaro for France. At a later stage of the project it is planned to include also the media of two smaller countries in the analysis. The selection of these papers does not mean that we have found a representative sample of publicised opinion in the respective countries, because that would need to include at a minimum other types of media products (TV) as well as those targeted downmarket (i.e. tabloids). However, these papers can be considered as influential sources of information for other media as well as a good cross-section of national press opinion on socio-economic issues.

In order to answer the second of our research questions we needed to look more closely at the individual media pieces in order to identify any spillover of reputational costs from the direct peer to peer level to the wider public realm. For the qualitative analysis of media content we narrowed the selection criteria by focusing on specific time periods within the four cycles of the two peer reviews procedures since 1997. With regards to employment co-ordination we were interested in the media's response to the publication of the joint employment reports (which contains drafts of the country specific recommendations) and the adoption of these guidelines by the Labour and Social Affairs Council plus a time-period of 7 days following the event. On the basis of these criteria, we selected 42 articles for closer analysis. In the case of the co-ordination of fiscal policy, we focused on the Commission's evaluation of the national convergence programmes and the Ecofin Council's adoption of these recommendations as part of the Broad Economic Policy Guidelines. Looking at these events and applying the seven-day time-span, we reached an absolute number of 75 articles for more qualitative analysis. For the qualitative analysis we drew up a set of criteria (or codes) as a standardised lens for evaluating media content.

Preliminary results of content analysis: Towards a Europeanization of Socio-Economic Discourse?

Intensification of Media Coverage? Quantitative Analysis of Frequencies

This first section deals with two sets of questions: To what extent did the legal provisions for policy co-ordination lead to an intensification of media coverage of these procedures over time? And secondly, which events/phases of the policy cycle received most attention in the coverage of national broadsheets?

Following the methodology as set out above, we used the data consisting of the relevant

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articles since 1997 to draw up several graphs visualising the frequencies of media coverage of the two policy procedures (see Annex, Figures 1-3). Since we are looking at media coverage in three different countries, the first question is whether we can see synchronised patterns of coverage as a necessary condition for cross-country generalisations. What is rather striking is that the German media covered both policy fields much more extensively than the French and the British newspapers (Annex, figures 2-3), but this may have more to do with the papers resources than with fundamental differences in the evaluation of these particular policy fields. Research on the Brussels press corps has shown that Germany is the country with by far the highest number of accredited correspondents in Brussels (125 as compared to 65 of France). Brussels is also the primary source of much of the coverage of policy coordination. Despite these differences in absolute numbers, the second striking observation is that the three national curves do go through similar attention circles (Figure 1), peaking around European summits and certain events such as Commission's President Prodi's remarks about the stupidity pact, as well as following similar long-term trends.

Some differences in national news selection are important to note, for instance when considering the case of the Cologne summit, which added the macro-economic dialogue to the collection of processes for improving Europe's socio-economic performance. Given the lack of corporatist traditions the British press paid relatively little attention to employment policy co-ordination, but concentrated mainly on foreign policy issues relating to the war over Kosovo (Figure 2). The British papers were for obvious reasons also less interested in reporting about the fiscal policy co-ordination as a preceding step leading to the selection of candidates for Economic Monetary Union (Figure 3). At the same time, British papers paid considerable more attention to budgetary policy constraints than to the peer review mechanism in the field of employment policy. Rather surprising is that French papers seemed not too interested in the discussion about the early warning letter to Germany in January 2002 in contrast to the British press. Notwithstanding these differences, it is fair to say that the press in the three countries seems to employ similar criteria for judging the relevance of socio-economic policy co-ordination in the EU. Hence, one can speak of a common, if fluctuating and fragile transnational news agenda in these policy fields.

If we look at development of the media coverage in the three countries over time (Figure 1), we can see no clear and certainly not linear intensification of reporting, contrary to the expectations of the Europeanisation thesis. While initial media attention in all three countries was relatively high peaking around the summits of Amsterdam, Luxembourg, and Brussels, we witness a decline of media attention for both fields up to the year 2001. Media coverage decreased from a half-yearly average of 34 articles per month in 1997 to an average of 8 articles in the first half of 2001. Starting from the year 2001 onwards, however, we need to differentiate between the two modes of governance through hard peer review in the case of fiscal policy co-ordination and those of its softer counterpart in the area of employment policy. It is obvious that a number of countries, starting with the prominent case of Germany, faced troubles in keeping below the 3 percent ceiling for the public deficit-to-GDP, media coverage picked up considerably and was further accelerated with President Prodi's remarks concerning the "stupidity pact" towards the end of 2002. To that extent, the stability pact and the rules for fiscal policy co-ordination have increasingly become the subject of public debates, especially in the two countries who are members of EMU, but also, at first glance somewhat surprisingly in Britain. Indeed, while Europe's problem of low levels of employment has not been solved and progress has been moderate, European provisions for employment policy have received increasingly less public attention.

In addition to the marked divergence between the two areas of policy-making in relative terms

the absolute numbers also show that employment policy co-ordination gets only very scarce and mostly event-driven media attention, for instance when the Commission publishes its joint employment report and when the European Council meets in Spring. But even on this occasion, employment policy co-ordination is hardly ever the main topic of an article, but rather often just one paragraph of the summit reports. The European employment guidelines are usually crowded out by more contentious and prominent issues on the agenda of the European Council, often in the field of foreign policy. When we are looking at the absolute numbers in the area of employment policy, the average per month has dwindled from 15 in the first half of 1998, to a mere 5 in the first half of 2002. While the economic boom years of 1999/2000 have witnessed relatively little coverage for the European dimension of both policy areas, the picture, which emerges is surprisingly clear: While the rules for fiscal policy co-ordination have established themselves in the last two years as a regular topic on the socio-economic news agenda of the quality press, European employment policy co-ordination is being covered at best sporadically and usually as part of a wider theme. Moreover, media attention for employment policy co-ordination has declined dramatically, especially when compared to the extensive coverage of the years 1997-1999 and can be considered as close to extinction.

Europeanisation of Media Content? Qualitative Data on Peer Review and Public Pressure

In a second step, we wanted to analyse in more depth to what extent peer pressure does translate into public pressure and how the media portray critique by EU institutions and other governments. For this purpose we have analysed in more depth the sub-selection of article dealing with the recommendations for member states' fiscal and employment policies. While the events in both policy fields were covered between 1998 and 2000, the average length of the articles differed between the two fields and across countries. In the area of employment, at least the Commission's proposals for recommendations in 1998, 1999 and 2000 were covered by the major newspapers in France and Germany, while no British paper seemed interested in the event. In 2001 and 2002, however, even in France and Germany coverage of the Commission's joint employment report was almost non-existent, which may at least partly be attributable to the proximity of the 11th of September crisis, which drowned out coverage around that time over those two years.

A common feature of the media coverage of recommendations in both policy fields until 2001 was that they created little follow-up coverage. We found only one article (8.9.2000 in the *Frankfurter Allgemeine Zeitung*) where a social partner organisation responded publicly to the Commission report (the Federal employers association used the Commission's evaluation to attack the government's record on the employment front). The lack of follow-up coverage was also discernible in the area of fiscal policy recommendations, up to cases when individual countries like Ireland (BEPGs) and Germany were singled out for reprimands for their budgetary policies (Meyer 2002). Especially the German case proved to be a watershed for the potential of peer review to impose reputational costs on governments. The German government tried to change the early warning and have it dismissed, criticized the Commission for a lack of political sensitivity and clout, and suggested, albeit cautiously that the Commission had political motives for singling out the country for a critical recommendation. However, the government was faced with considerable media criticism from both left and right leaning papers for its political maneuvering in Brussels and squandering of political capital among EU partners and the Commission. Press criticism concentrated less on the economic grounds for the early warning than on the need to uphold

agreed rules and principles, whereas in the case of Ireland of 2001 the nuances of the agreeing to BEPGs guidelines and then missing the target was largely lost (Meyer 2002). While negative publicity seems to have no direct influence on political behavior in both cases, the imposition of reputational costs through the proposed recommendations may have played a role in later efforts to finally agree on a national stability pact between the German federal government and the Länder authorities (Thiel 2002).

How were EU-institutions and foreign actors portrayed in the national media? When analysing the coverage of particular actors, our first finding is that the term of “peer review” is a misnomer in terms of public visibility: It is the Commission’s evaluation of member states’ policies and its recommendations, which makes the headlines not the Council formally deciding about these proposals. Indeed, most articles, especially in the area of employment policy co-ordination, do not even mention that the Council has a further say in the process and that the Commission’s recommendations are just proposals that can be rejected or changed by the Council. What is also striking is the virtual absence of public comments of labour and finance ministers on their colleagues’ performance, a few exceptions not withstanding. According to the interviews vigorous peer review and pressure does occur behind closed doors but does hardly translate into public coverage, indicating an implicit code of conduct among ministers not to criticise each other (interview, Brussels 9.12.2002).

The Commission is usually portrayed as legitimate actor and voice in issuing proposals for recommendations to member states. This applies, however, more to fiscal than to employment policy matters. Especially left-of-centre newspapers carried more critical overtones with regard to the Commission’s prominent role in policy coordination than their conservative counterparts. The first sentence of the article of the *Süddeutsche Zeitung* on 7 September read, for instance, “Despite declining unemployment the EU-Commission demonstrated dissatisfaction with the employment policies in the European Union”. Right of centre papers tended also to give more support to the Commission’s (in fact mostly Pedro Solbes’) stance on budgetary consolidation than did the left-leaning papers.

The ideological affiliation of the papers showed also in so far as each paper tended to play-up those parts of the recommendations, which supported the government’s policies and record (the governments of all three countries were led by Social-democrat parties), whereas conservative papers picked out the more critical recommendations relating to supply-side reforms (for instance, reducing the tax burden on labour). It appears therefore that ideological/political cleavages are more important than the stance on European integration and the legitimacy of supranational institutions as such. In the area of fiscal policy, European provisions have become mainstreamed and become a common reference point in domestic discourses in Germany, and to a lesser degree in France. A special case is Britain, where socio-economic policy-making is usually framed in one context: what a given event would mean for the discussion over Britain’s potential entry into the Eurozone and the referendum campaign that is expected to precede any such step. To that extent, fiscal policy coordination has “hit home”, but only more recently and unevenly across the member states’ publicised discourses.

The Communication Dilemmas of Policy Co-ordination: What can be done

If we are starting from the argument that an inclusive, intensive and continuous discussion about the goals and rules of European policy co-ordination is a desirable thing, the findings of

our content analysis should give reason for concern about the effectiveness and legitimacy of these new modes of governance. Especially the role model for the open method of co-ordination, the European Employment Strategy, has failed to resonate even with the quality broadsheets of large member states. How can we explain the stark discrepancy in the media's response to (hard) fiscal policy co-ordination as compared to soft co-ordination? We have posed this question to journalists and spokespeople and have come up with a number of hypotheses. We can broadly distinguish between those approaches, which focus on the communication strategies of the various actors involved in socio-economic policy-making and those, which focus on the procedures, rules, and the policy substance of these modes of governance.

Co-ordination Procedure and Policy Substance: It is true that most practitioners consider the Luxembourg Process as overly complex, technocratic and dragged out. There are only few news worthy instances over the life cycle of the Luxembourg process such as the joint employment report and the adoption of the guidelines, given that the preceding discussions take place in closed committee sessions and within national administrations. The four-pillar structure of the guidelines is not well suited for communicative purposes and clear indicators are lacking to measure national performance as in the case of the 3 percent limit of the Stability Pact. It may even be true that macroeconomics are more easily communicated than micro-economic reforms as one Commission officials remarked. This has partly to do with the perception that the most important levers of employment policy are in fact governmental spending and taxation. Employment policy is even in the national context not a topic of top salience, even if the fight against unemployment is one.

However, the best explanation as to the higher media interest for European policy co-ordination in the field of national budgets is that the latter is linked to the question of whether the stability of the common currency might be undermined by some member states' deficit spending. The rationale for European policy-co-ordination is thus generally acknowledged, even if the specific rules are often questioned. In contrast, media reports hardly ever take up the argument that a European approach to the reform of national labour markets is needed to underpin the stability of a currency union. Hence, it is the explicit linkage between sound fiscal policies and monetary stability, not the hardly credible threat of fines against member states, which largely explains the higher public salience of this mode of policy co-ordination. However, the procedures and the policy substance cannot be the whole explanation if we consider that media attention for employment policy co-ordination used to be almost at the same level during the first three years after the signature of the Amsterdam Treaty.

Actors' Communication Strategies: A number of interview partners have highlighted that the employment strategy was not meant to make public waves according to those who devised it (interview, Brussels 10.12.2002). Member state administrations were content to exchange best practices and listen to their peers views as long as it involved no reputational costs for them. Hence, member states seek to water down the wording of recommendations and find substantial support among their peers for it. The Commission as the main communicator of the employment strategy has come under substantial pressure as in 2000, when it criticised the German government's failure to bring-down non-wage labour costs. The Commission also lacks an adequate yardstick to evaluate and rank member states' employment policies, not least due to the fact that they have resisted attempts to provide more quantitative benchmarks. Neither can the Commission single out particular countries for recommendations or early warnings as in the case of the stability pact, where naming and shaming is an effective strategy.

However, even if the Commission could do that indirectly through the reports by highlighting the "top and bottom of the class", the transnational and domestic resonance is likely to be weak. Other EU ministers are hardly willing to publicly criticise their colleagues, even in the case of fiscal policy co-ordination. Only if the Commission can communicate that it is enjoying the implicit support of most member states when proposing an early warning letter, it can credibly raise the "blaming and shaming" threat. The main problem lies, however, at the domestic front. European guidelines, procedures and recommendations in the field of employment policy have not yet become a common reference point for domestic socio-economic discourse. Domestic journalists in the newsrooms still know little about procedures of European policy co-ordination. Social partners do not usually quote EU reports in support of their views and even the opposition parties make not much use of it. This pattern has changed somewhat in Germany where the opposition parties have criticised Finance Minister Eichel's broken promise to keep the budget deficit below the 3 percent limit. In France and especially in Britain, however, the Commission's criticisms do not constitute powerful ammunition in domestic discourse.

Some Reform Suggestions

If we reconsider these causes of the lack of communicative linkage between policy co-ordination, especially in its "softer" form, to public discourses in member states, the question arises of whether any of them are amenable to change, either through political actions or to socio-economic developments without changing the character of policy coordination completely, for instance by transferring competencies upwards. The answer to his question is maybe, but not very much.

As for employment policy co-ordination, its public visibility will depend crucially on the extent to which it is more directly linked to the functioning of monetary union, either through argument or through a closer alignment with other instruments of economic policy-making such as the Broad Economic Policy Guidelines. Notwithstanding current reform attempts, the BEPGs suffer the same kind of visibility deficits. A more promising reform attempt could be to substantially reform/boil-down the opaque pillar-structure of the Guidelines, reduce the bureaucratic requirements for the NAPs and to concentrate on particular measures in particular member states. This could also help to alleviate the expectations-capability gap and increase the credibility of the policy process, which started off with very ambitious goals of job creation but largely failed to deliver in the eyes of journalist observers. Another step in this direction could be to allow for more critical wording and non-obligatory recommendations to member states and shed some of the present ambiguity in the reports. This presupposes, however, that the actors within the governing networks in the area of employment policy develop more of a shared narrative about what constitutes sound employment policy, a process, which took decades in the case of fiscal and monetary policy.

As to the second point, a worsening of socio-economic conditions in Europe and/or adverse shocks could manage to bridge the cognitive gap between the domestic and the European arenas of socio-economic policy-making. Only if national political actors and interest groups believe that the performance of the domestic economy depends to a significant degree on the implementation of certain policies in other member states, can we expect a shift in interest and attention to the European level. In economic terms this argument may apply only to the largest European economies, such as Germany and France, and would also need to extend to issues of taxation and social security systems as the most important factors to influence the performance of labour markets (apart from monetary policy). So far this shift of attention has

not occurred in the area of employment policy, and is only slowly proceeding in the area of fiscal policy co-ordination. Without such a domestic resonance structure media reports from Brussels would hardly be able to trigger any meaningful debates on issues of transnational concern. While this shift of attention cannot be engineered from the top, it might help to better involve and inform those journalists who are based in the member states. They are usually the specialists in economic and social policies and have also more space to fill than the generalist correspondents in Brussels. While the Commission has already undertaken some steps in the direction of strengthening its member state level press communication, these efforts cannot succeed without a closer involvement of national administrations' press offices.

Conclusion

The media content analysis leaves us with some clear and some ambiguous answers concerning our thesis about the Europeanisation of socio-economic public discourses. We could not observe a linear intensification of media discourses surrounding both governing modes. Instead coverage was very much event-driven in the first two years and thereafter declined significantly after the launch of the Euro and the onset of two years of strong economic growth. After this period when the instruments of European policy co-ordination seemed almost forgotten, we witness a clear divergence of media attention pattern between the two policy modes. Fiscal policy co-ordination 'hits home' (Risse), albeit to varying degrees, as the larger member states approached the 3 percent threshold. In stark contrast to hard co-ordination, its "softer" counterpart employment co-ordination was increasingly less commented and reported upon until it almost disappeared completely from the media agenda. As a result few home-based journalists and even less citizens will know that there is such a thing as the Luxembourg process and the policy impulses and recommendations are lost on all but those directly involved in the review process.

These findings indicate that new modes of governance have on the whole failed to induce more inclusive and deliberative debates, which could link elitist policy networks and the wider public. For most of the observatory time EU procedures and recommendations failed to make an impact on publicised discourses. The vigorous discussion over the stability pact can be seen as a phenomenon of catching up on a missed debate, which should have been concluded in 1996 when the pact was originally drawn up. The rules and goals of fiscal policy failed to reflect in public discourse in the "good" years 1999/2000, partly because the Commission (and the "peers" in the Council!) was too cautious in its comments on member states' economic projections. These findings indicate that both hard and soft modes of policy co-ordination have not managed to bridge the legitimacy dilemmas of European governance and to produce a basis on which a European "gouvernance économique" could be founded.

To be sure, increasing public awareness and drawing in more actors may simply take more time as the economic realities of Monetary Union are still very new to most citizens and observers alike. In the area of employment policy co-ordination, however, the virtual absence of media coverage does suggest a need to fundamentally rethink a soft governance approach, which may stimulate learning among administrative networks and narrow policy communities but fails to convey this processes to a wider public. Even Commission sources do not seem very interested in investing political capital and public credibility in communicating the results of the process anymore (interview Brussels 11.12.2002).

The previous section made some proposals for overcoming some of the deficits in the public communication of hard and soft policy co-ordination. However, the weaknesses of these new modes of policy co-ordination are fundamental in the sense that they were conceived at a time

when the consequences of Monetary Union were difficult to assess and the debate about economic governance in Europe had hardly begun. They represent an uneasy compromise between member states' acknowledgement of a common European agenda for socio-economic policy-making and the reluctance to relinquish political autonomy in the affected policy fields. To that extent the rules and policy-cycles were running ahead of a necessary debate about what kind of economic governance is needed for the common market and the monetary union. Judging from the media coverage and the number of conferences in this field, the debate is slowly beginning, especially if the Convention arrives at more concrete proposals for the reform of economic governance. If it does, it may turn out that these modes for policy-co-ordination will prove to be just intermediate steps towards a more transparent, , and thus more media-friendly, distribution of responsibilities between the European Union and member states.

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Figure 1: Media Coverage of Fiscal and Employment Policy Coordination - Mean number of articles in six newspapers -

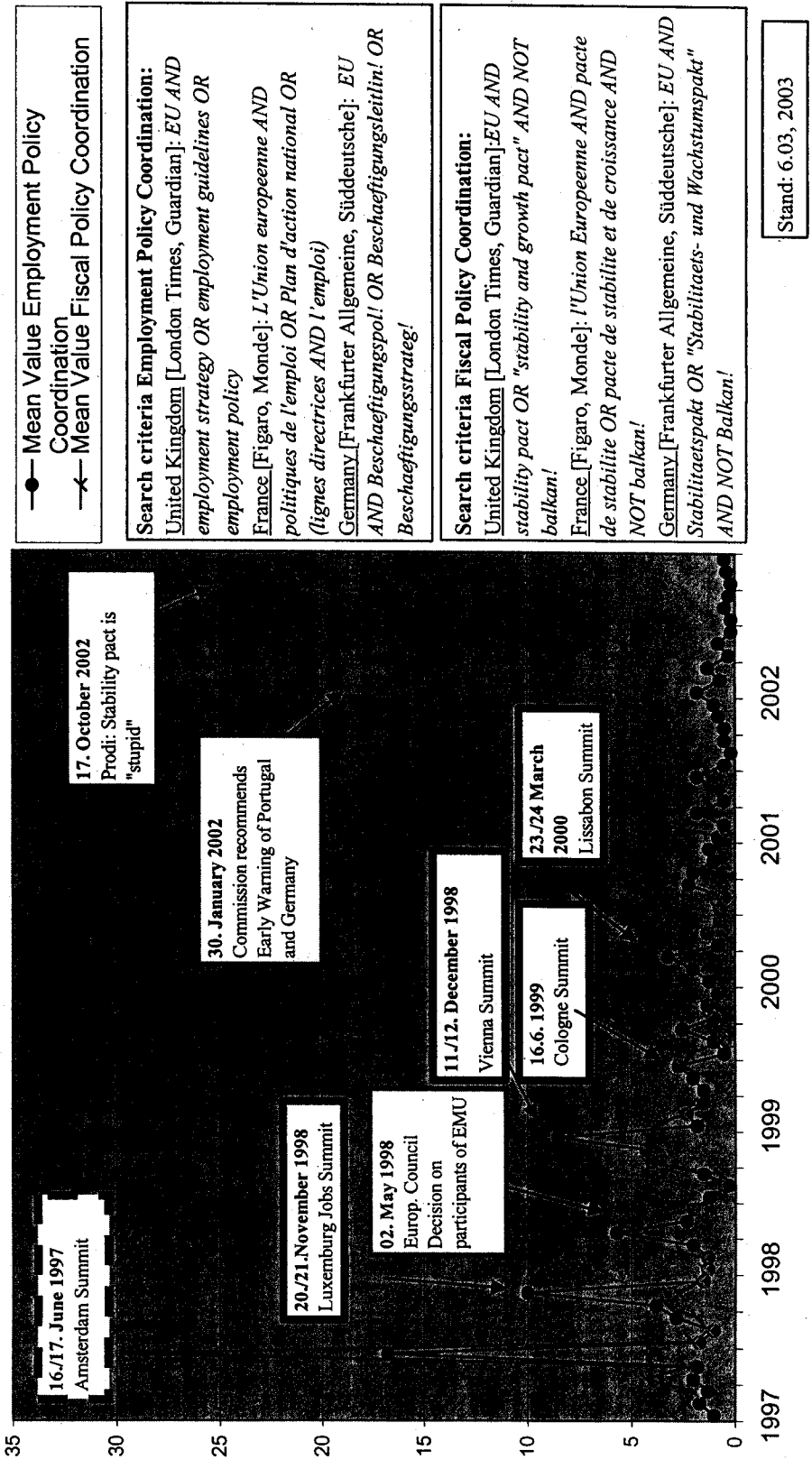
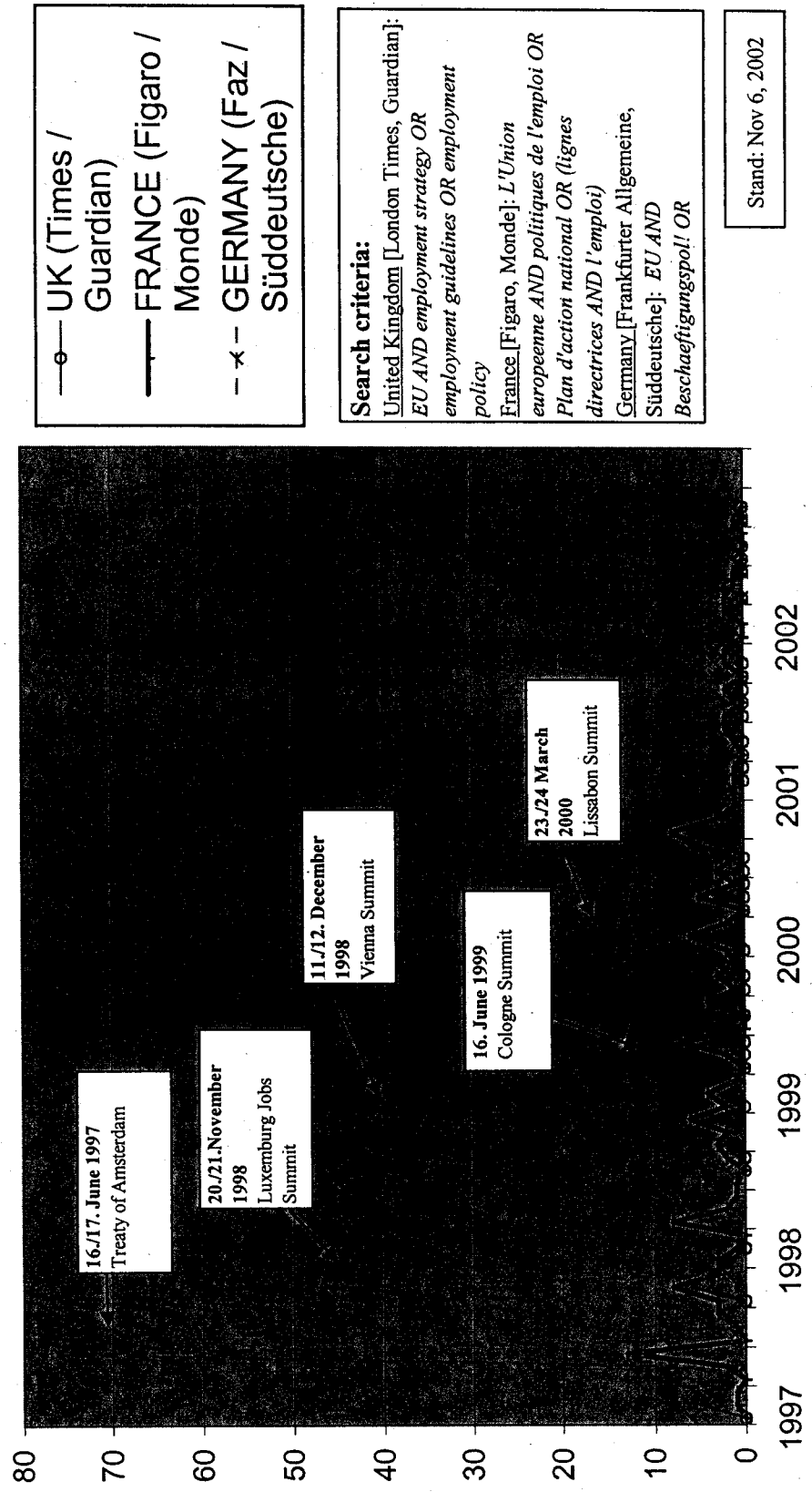


Figure 2: Media Coverage of Employment Policy Coordination



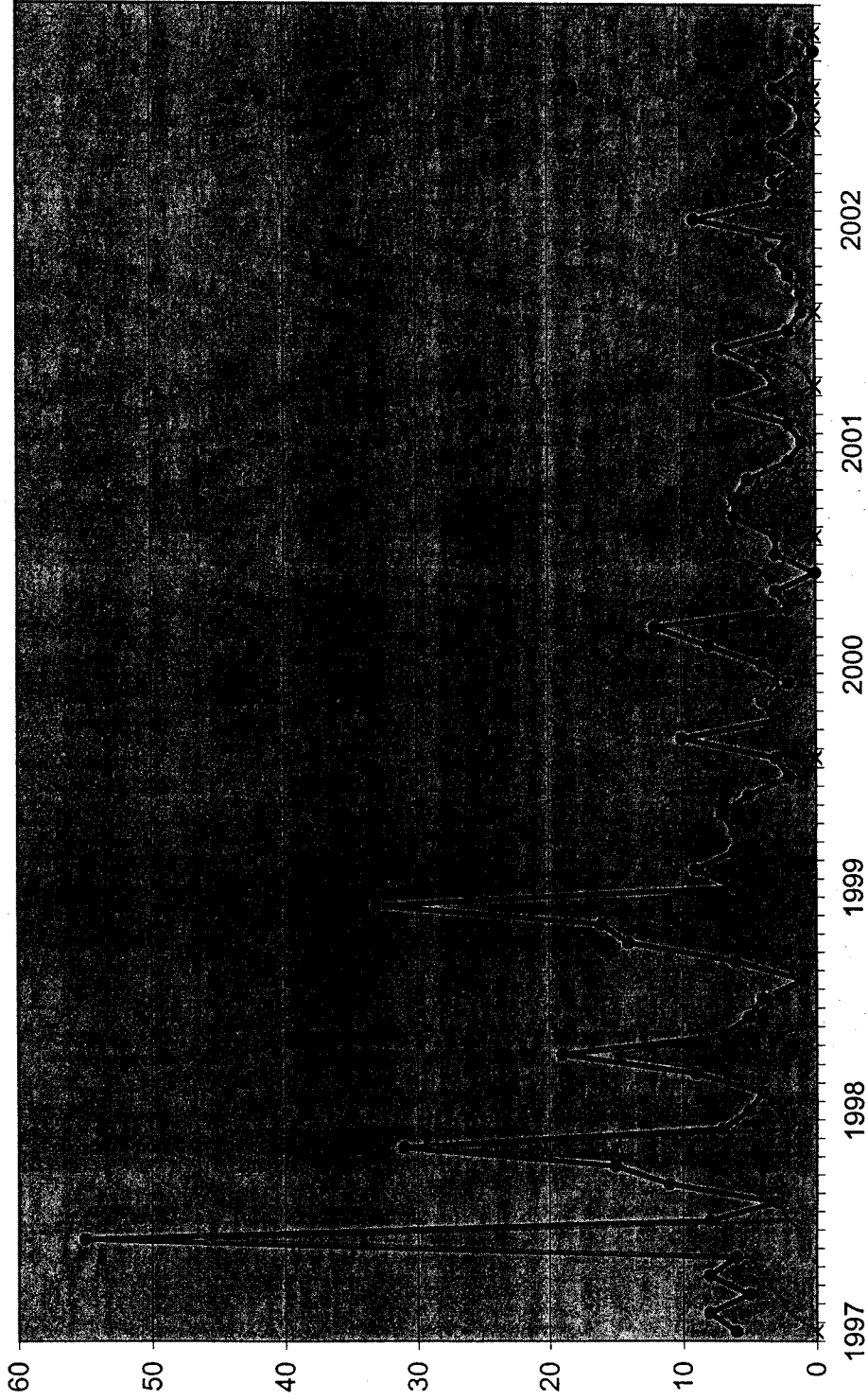
—○— UK (Times / Guardian)
 — FRANCE (Figaro / Monde)
 —✕— GERMANY (Faz / Süddeutsche)

Search criteria:
 United Kingdom [London Times, Guardian]:
 EU AND employment strategy OR employment guidelines OR employment policy
 France [Figaro, Monde]: L'Union européenne AND politiques de l'emploi OR Plan d'action national OR (lignes directrices AND l'emploi)
 Germany [Frankfurter Allgemeine, Süddeutsche]: EU AND Beschäftigungspol! OR

Stand: Nov 6, 2002

Employment Policy Coordination

- number of articles "conservative" / "liberal" -



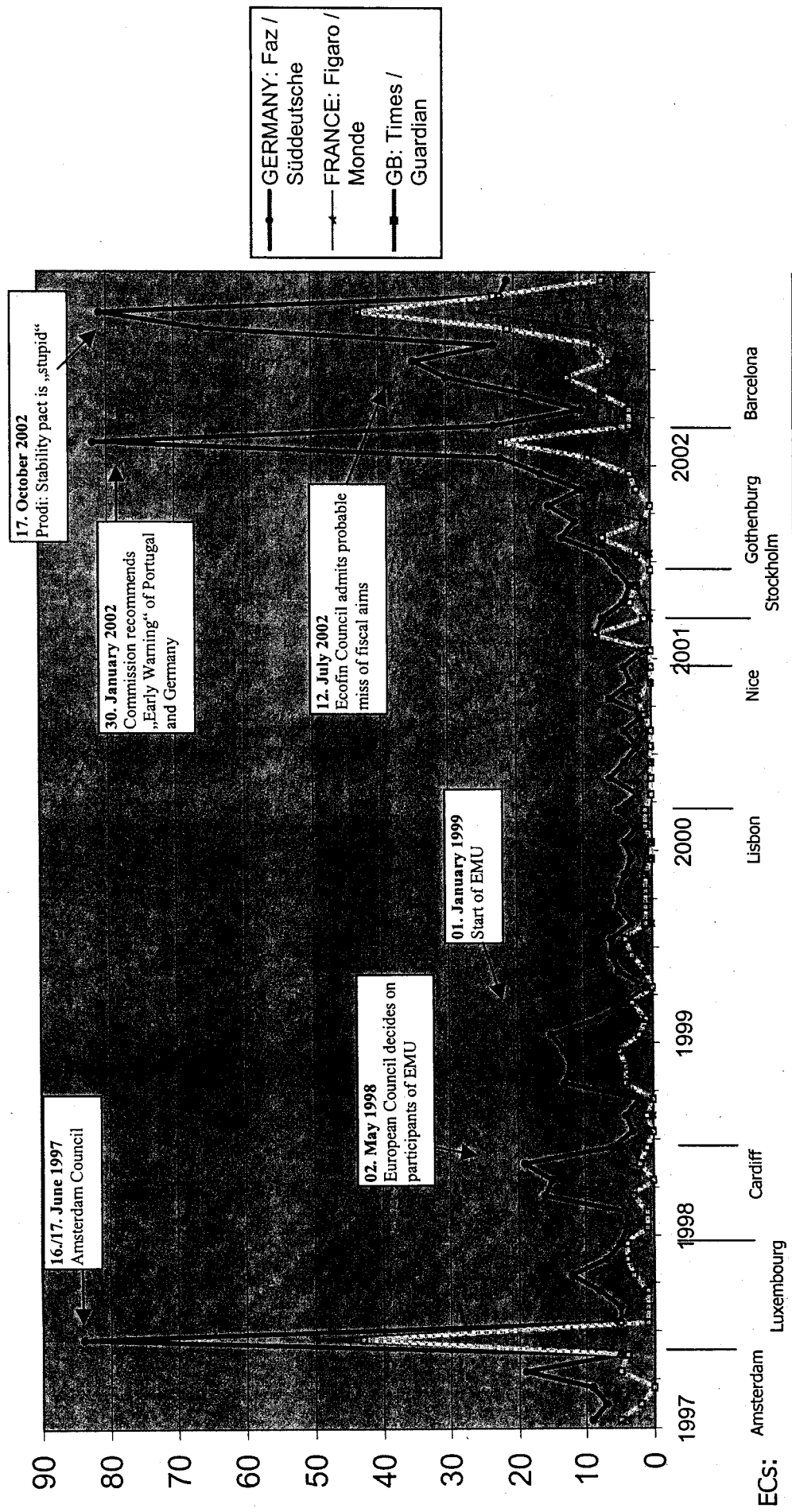
—●— Sum "conservative"
 (Figaro, Times, FAZ)
 - - - Sum "liberal" (Monde,
 Guardian, SZ)

Search criteria:

United Kingdom [London Times, Guardian]:
 EU AND employment strategy OR employment
 guidelines OR employment policy
 France [Figaro, Monde]: L'Union europeenne
 AND politiques de l'emploi OR Plan d'action
 national OR (lignes directrices AND l'emploi)
 Germany [Frankfurter Allgemeine,
 Süddeutsche]: EU AND Beschaeftigungspol!
 OR Beschaeftigungsleitlini! OR
 Beschaeftigungsstrateg!

Stand: Nov 6, 2002

Media Coverage Of Fiscal Policy Coordination



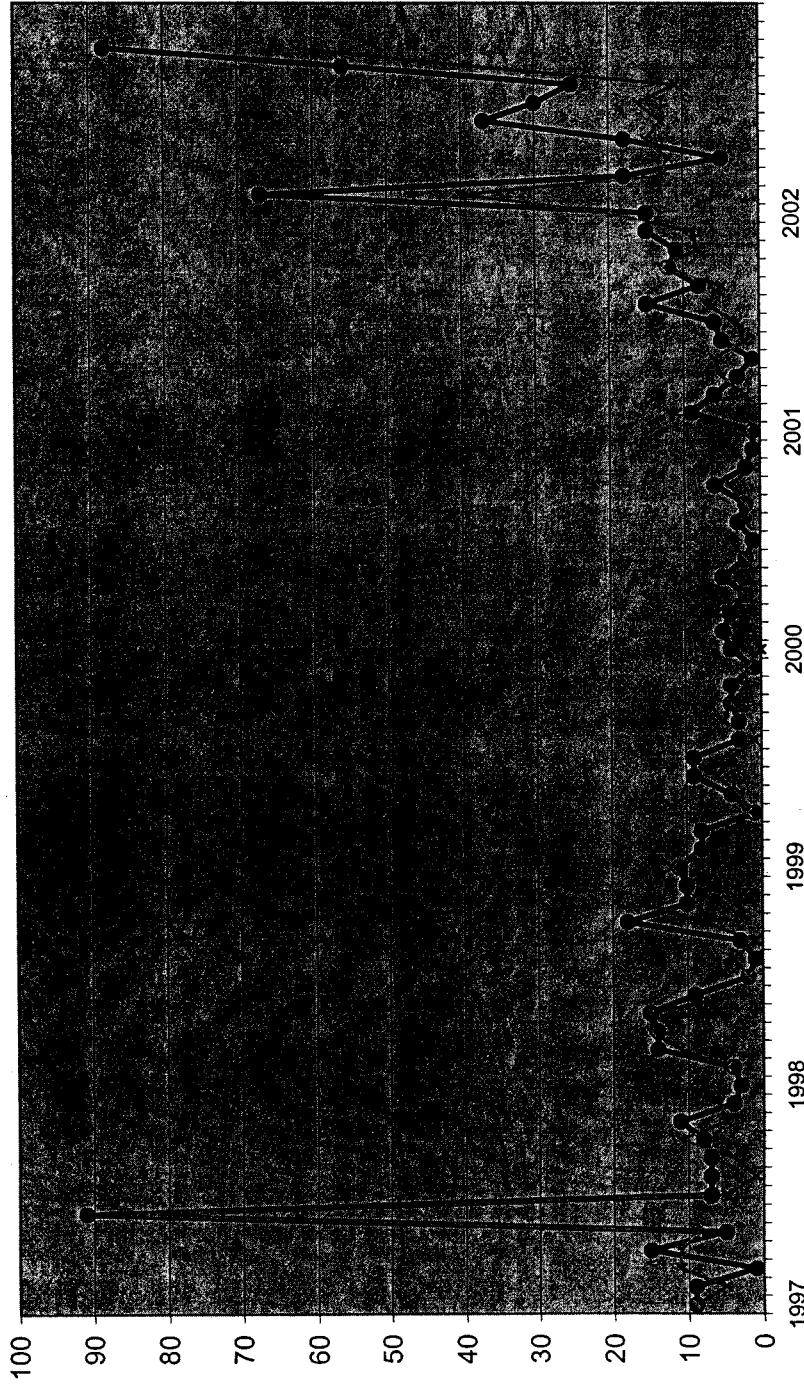
ECs: Amsterdam Luxembourg Cardiff Gothenburg Stockholm Barcelona

Lexis-Nexis Database search criteria:

UNITED KINGDOM [London Times, Guardian]: "stability and growth pact" AND NOT balkan!

FRANCE [Figaro, Monde]: /Union Europeenne AND pacte de stabilite OR pacte de stabilite et de croissance AND NOT balkan! GERMANY [Faz, Süddeutsche]: EU AND Stabilitaetspakt OR "Stabilitaets- und Wachstumspakt" AND NOT Balkan!

Fiscal Policy Coordination
- Number of articles in "conservative" and "liberal" newspapers -



●— Sum "conservative"
 (Figaro, Times, FAZ)

▲— Sum "liberal" (Monde,
 Guardian, SZ)

Search criteria:
 United Kingdom [London Times,
 Guardian]; EU AND stability pact OR
 "stability and growth pact" AND NOT
 balkan!

France [Figaro, Monde]; l'Union
 Europeenne AND pacte de stabilite OR
 pacte de stabilite et de croissance AND
 NOT balkan!

Germany [Frankfurter Allgemeine,
 Süddeutsche]; EU AND Stabilitaetspakt OR
 "Stabilitaets- und Wachstumspakt" AND

Stand: Oct 31, 2002