

# The European Union's governance ambitions and its administrative capacities

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**ABSTRACT** The existing literature has started to analyse why the policy co-ordination ambitions that permeated the 2001 White Paper on governance have not been realized. However, surprisingly little attention has been devoted to exploring the administrative demands that these ambitions impose on different policy actors. This article opens up this research area by focusing on more ambitious policy objectives and their associated network-based modes of governance. The empirical part examines three public administration systems in the EU to assess how well they have responded to these demands. Although often downplayed by those advocating network-based modes of governance, this paper reveals that the administrative demands they pose are much greater than is commonly supposed. Some actors (e.g. the Commission and the UK) have upgraded their administrative co-ordinating capacities, whereas others (e.g. the Netherlands) have moved in a perverse direction. It is concluded that the EU needs to take administrative capacity building much more seriously in order to govern in a less hierarchical manner.

**KEY WORDS** Co-ordination capacities; governance; networked governance; networks; new modes of governance.

## 1. INTRODUCTION

Governance is a rapidly developing theme in European Union (EU) scholarship. The criticism made by Kohler-Koch and Jachtenfuchs (2004) that the literature on EU governance is fragmented and non-cumulative has been addressed by a stream of reviews (e.g. Citi and Rhodes 2007; Kohler-Koch and Rittberger 2006; Treib *et al.* 2007). These reviews have tried both to take stock and give future work more focus. Using the well-known distinction between policy, politics and polity, Treib *et al.* (2007) produced a helpful classification of the literature and charted some emerging trends. In terms of policies, i.e. the mode of steering, they identified a lively debate about the precise definition of 'new modes' which we do not wish to exhaustively address here, other than to state that what is 'old' and 'new' is, of course, time and place specific. Importantly, Treib *et al.*'s (2007) classification helpfully broadens out the discussion to

include *all* modes (or instruments) of governance (e.g. legislation, flexible forms of legislation such as framework legislation, economic instruments, steering through information and open methods of co-ordination (OMCs)). Other authors, for example, believe that governance is also manifest in the growing prevalence of regulatory agencies, informal networks (Eberlein and Kerwer 2004; Coen and Thatcher 2007) and policy appraisal techniques (e.g. Renda 2006).

As regards Treib *et al.*'s (2007) second category – ‘politics’ (i.e. the changing power relations between actors) – it is now widely accepted that the EU has evolved into a multi-level system of governance. In such a system, the forms of steering are more open and less hierarchical, the aim being to nurture a greater sense of ownership for (and the application of) broad ‘good governance’ objectives such as subsidiarity, competitiveness, regulatory quality and sustainability (European Commission 2002a, 2002b; Council of the European Union 2006). Scholars have sought to capture the essence of this trend by using the term ‘networked governance’ (Jordan and Schout 2006). This can be defined as a system of governance in which central bodies are ‘dependent upon the cooperation and joint resource mobilization of policy actors outside their hierarchical control’ (Börzel 1998: 260).

Treib *et al.*'s third category concerns the polity dimension of governance, i.e. institutional and administrative structures and capacities. The EU seized on the idea of networked governance because it appeared to provide a new way of getting things done not through legislating or creating and/or altering markets, but via multi-level co-operation using ‘soft’ (Stubb *et al.* 2003: 148) or network-based modes of governance such as such as voluntary agreements, policy appraisal (or in EU parlance – ‘impact assessment’) and OMC. However, in comparison with the other two categories, the debate about the ‘polity’ dimension of (network-based modes of) governance remains at a relatively high level of abstraction, despite the recent ‘turn’ towards public administration in EU research (Trondal 2007). Amongst scholars of governance, the debate has remained overly fixated with delineating networks from markets and hierarchies in a rather broad way.

Moving beyond these three categories, a distinct sub-theme of work on EU governance has tried to measure the effectiveness of particular kinds of network-based modes of governance. It has generally concluded that they have been set to work achieving the more ambitious EU policy objectives. These are typically couched in very broad terms such as ‘integrating the environmental or territorial consequences of new policies into all EU policy areas’ (Schout and Jordan 2007; Jordan and Lenschow 2008), making the EU ‘the most competitive economy in the world’ (i.e. ‘Lisbon’) or producing ‘better regulation’ by undertaking impact assessments (Radaelli 2007), to name just three. More recently, more and more work has been conducted on the extent to which these objectives have been met (see, among others, Kerber and Eckardt 2007 and Bomberg 2007). While there have been some successes to report (e.g. Dehousse 2004; Gornitzka 2006), especially when no alternative modes were available, many other studies have

drawn much more critical conclusions (e.g. Citi and Rhodes 2007). Judging by the wide variety of different effectiveness assessments that have been conducted, it would be premature to make definitive statements at this stage. However, it does appear that the effectiveness of network-based modes is higher in more restricted areas of policy-making such as innovation (European Commission 2007a) and pollution control (Martens 2006) than in relation to the more ambitious policy objectives described above, which typically require greater vertical *and* horizontal co-ordination (see below).

This emerging pattern of performance demands an explanation, and here several dimensions could be relevant. The level of political support could be one important dimension. Yet, the ambitious policy objective that we elect to focus on below – environmental policy integration – has received very high-level political support from among others the European Council and the Commission President. Other network-based modes of governance such as impact assessment have received similar backing at high levels (e.g. Radaelli 2007). Apart from these, there are other explanations that could be tested, including those deriving from cultural, learning or neo-institutional theories (Lenschow *et al.* 2005). In this article, we explore the potential of a more administratively based explanation (see also Olsen 2005). By examining the administrative capacities needed to secure ambitious policy objectives using network-based modes of governance, we seek to shed more light on the *polity* dimension of the governance debate. We do so in a manner which tries to speak to the wider administrative ‘turn’ in EU scholarship (Trondal 2007). We follow Jordan and Schout (2006: 7) by defining these administrative capacities as the mechanisms that ‘facilitate coordination within networks of interdependent actors’ by ‘helping the participants to exchange information amongst themselves; identifying issues requiring co-ordinated solutions; and arbitrating when conflicts cannot be settled informally’.

Our focus on the polity or administrative dimension of governance may appear somewhat counter-intuitive. After all, one of the attractive features of network-based modes of governance is that they ‘self-organize’ (Rhodes 1997) without increasing the administrative scale and complexity of ‘Brussels’. Nevertheless, this does not necessarily prevent network-based modes from running into what in economics is known as the compatibility of strategy and structure. By this we mean that the EU’s governance agenda incorporates a range of ambitious governance projects such as the Lisbon process, etc., but has it carefully thought about the structures (i.e. the administrative capacities) needed to implement them? And do the administrations that use them have sufficient capacities to ensure they work efficiently, proactively and in a sufficiently focused way?

The administrative demands imposed by network-based modes reveal themselves most clearly in day-to-day policy processes at national and EU level. For example, national officials have to engage heavily in inter-departmental policy processes to ensure that EU-level benchmarking processes are adequately followed up on in daily policy processes. Similarly, the Commission cannot

possibly achieve greater subsidiarity or make regulation 'better' by performing more impact assessments, unless it shares the information generated from appraisal activities undertaken at various stages and levels in the EU policy process (Council of the European Union 2006).

While acknowledging that governance is a potentially amorphous term, in this article we refer to 'governance projects' to denote particular combinations of policy objectives and modes of governance. We use the term 'governance project' to emphasize that governance analysis in the EU has partly been concerned with understanding the use made of new modes of governance, but also about understanding the distinctively normative context (see Kohler-Koch and Rittberger 2006) in which they are deployed. Objectives such as territorial/environmental policy integration and gender mainstreaming regularly appear in the work programmes of the Council and the European Commission (2007b: section 2.1). They are highly ambitious in the sense that they demand simultaneous horizontal (cross-sectoral) and vertical (multi-level) co-ordination.

Having identified administrative capacity as our analytical focus, section 2 argues that even though co-ordination is the very essence of governance, there is an urgent need to look beyond the standard triad of governance by markets, networks and hierarchies, and explore what kinds of administrative demands they pose for different actors. Having done that, section 3 discusses the administrative challenges associated with more ambitious governance projects. Then, section 4 reports the findings of an empirical research conducted on the administrative capacities in three important actors, namely the Commission, the Netherlands, and the UK. The Commission is the central actor in EU decision-making and has been widely criticized for being fragmented. The other two are frontrunners when it comes to advocating ambitious governance projects and/or network-based modes of governance. Moreover, these two have relatively advanced public administration systems. There are, of course, some alleged differences between the UK and the Netherlands that need to be borne in mind. For instance, it is often said that the UK has a strong and centralized (EU) policy co-ordination system (e.g. Kassim 2000). But is this a correct representation, and if so, how likely is it to crack under the increasing weight of the EU's emerging governance ambitions? The Netherlands, on the other hand, has a coalition government and its administrative system enjoys a relatively high level of autonomy. It therefore resembles the patterns of internal co-ordination in a range of other EU countries (Kassim *et al.* 2000; Kassim 2003; Peters and Wright 2001). But has it taken steps to address its fragmentation, and if so, how successful have they been?

The research draws on a set of interviews with public administrators. In these interviews, we were particularly interested to know about what administrative adaptations had been made in relation to one particularly ambitious policy objective, namely environmental policy integration. The network-based mode of governance selected to deliver it was the Cardiff Process, an OMC-like exercise which was initiated by the Commission in 1998 but which is now effectively dead. In our discussion, we analyse the administrative demands posed by this

particular governance project (i.e. environmental policy integration via the Cardiff Process) and assess the extent to which the three actors coped with them. The concluding section draws on this experience to make some broader points about the need to align the EU's governance ambitions with its administrative capacities.

## 2. THE DEBATE ABOUT THE GOVERNANCE OF THE EU

The political and policy sciences have witnessed a veritable 'turn' towards governance in the last decade or so (Pierre 2000). In the EU, the desire to employ a wider array of governing modes has been driven by a number of more specific developments such as enlargement and concerns about the economic competitiveness implications of using older modes such as regulation (Trumpf–Piris Report 1999; Borrás and Jacobsson 2004; Scharpf 2002). With such a variety of drivers, it is not surprising that the basic meaning of the term governance is so contested (compare Pierre 2000: 7). Nevertheless, some common themes have emerged in the EU governance literature. One relates to the increasingly important role played by networked governance in the running of the EU (Jachtenfuchs 2001). Hence, the emphasis in the academic literature has moved on to understanding informal relations and, following from this, on learning, ownership and peer pressure within the constituent networks. Second, the nature of policy objectives has changed. The principles of 'good governance' that the European Commission presented in its 2001 White Paper (European Commission 2001: 10) were openness, participation, accountability, effectiveness, coherence (i.e. integration or 'mainstreaming'), proportionality and subsidiarity. These principles informed the 'better regulation' process (European Commission 2002a, 2005a, 2005b) and its efforts to create an impact assessment system. Here, governance has been about raising the quality of policy through, amongst other things, using the best available evidence and making the selection of policy options more transparent and hence accountable. The EU's pursuit of these objectives has given its governance projects an even stronger horizontal (or policy co-ordination) dimension.

However, there is much less clarity as regards the effectiveness of the various new modes of governing used (Radaelli and de Francesco 2007). On the one hand, there are successes to report in some areas (Zeitlin and Pochet 2005). On the other, many scholarly assessments have arrived at much more pessimistic conclusions (e.g. Eberlein and Newman 2007; Citi and Rhodes 2007). The explanations offered for this under-performance have – as noted above – included the absence of concrete targets, weak political leadership and a lack of follow-up activities by public administrations at the national level (Kok 2004; Määttä 2006; Council of the European Union 2006).

Similarly, the contributions made by informal networks have also been rather unconvincing. Despite an increase in such networks in the environment, telecommunications and energy sectors, the differentiation of policy seems to

continue almost unabated. Here, insufficient resources and weak ties to the national regulators appear to have limited the effectiveness of such networks (Coen and Thatcher 2007). Finally, impact assessment still has a long way to go in terms of deepening the quality and consistency of policy-making (TEP 2007). Apart from more immediate methodological problems (Renda 2006), it has proved to be much more administratively demanding (typically requiring much stronger training and quality control mechanisms to ensure information is freely exchanged with and between the actors involved) than was initially expected (Radaelli 2007).

Standing back from all these assessments, it is clear that in the last decade or so the EU has sought to explore new ways of governing. However, its more ambitious governance projects have proven hard to implement. This has encouraged some to suggest that the EU should scale back its ambitions (Määttä 2006). Before we do that, however, it is important to understand where things might be coming unstuck. For this, we should examine in much more detail the administrative requirements of hierarchies, markets and – given the EU's eagerness to employ network-based modes of governing – networks. Given our own focus on more ambitious policy objectives, we illustrate our points by referring to the experience of the Cardiff Process, although there are clear parallels with other projects such as 'Lisbon' and better regulation (Radaelli and de Francesco 2007).

The Cardiff Process was created to bind the various Council formations into a cross-sectoral network in which each sector reported on steps taken to integrate environmental thinking into its activities. This was supposed to develop a sense of common ownership for environmental problems that had hitherto been lacking (Wilkinson *et al.* 2002: 5). Crucially, Directorate General (DG) Environment's role was not to impose standards on the sectors from the outside (as was predominantly the case under the Community Method), but instead to initiate a self-sustaining process of reporting, information sharing and, eventually, learning. Despite several subsequent injections of high-level political support from, *inter alia*, various Presidencies, the Commission President and various environmental pressure groups, by the mid-2000s the Commission had to concede that the whole process had failed and so wound it down (Hinterberger and Zacherl 2003: 15). In the next section, we examine the administrative demands associated with such a process, before turning to investigate how well three of the participating actors coped with them.

### **3. GOVERNANCE AS A MULTI-LEVEL CO-ORDINATION CHALLENGE**

#### **The administrative demands of network-based modes**

A network-based mode of governance such as Cardiff involves regular meetings in non-hierarchical networks. But the important work starts when the officials

try to implement the – often ambitious – lessons they have learnt in their own administrations. This is no casual matter because making other policy areas more environmentally sustainable involves interfering in their work and challenging their deeply held assumptions. Where this concerns horizontal objectives, it would be naïve to assume that officials from sectoral councils will automatically give the environment equal attention. In general, ensuring the implementation of horizontal objectives demands a continuous interaction between policy officials from different sectors and at different levels to ensure that policy priorities are identified and objectives are agreed.

Similarly, impact assessment has been deliberately designed to support more horizontal working. Thus, ensuring that impact assessments are carried out effectively, and that they remain part of the negotiations throughout the policy-making phases, necessitates that proposals are monitored from the start of the EU policy (i.e. within the Commission) and then during subsequent negotiations in the Council and with the European Parliament. Given its size, the Commission simply does not possess the administrative capacity to produce impact assessments that are capable of predicting the impacts of a particular policy on 27 member states, each with very different physical, climatic, economic and social characteristics. The EU also realizes all too clearly that the results of any assessment will have to be updated as a policy proposal moves down the pipeline to the Council, hence the inter-institutional agreement to co-ordinate the production of assessments (OJ 2003/C 321/01).

Hence, to remain relevant, impact assessments have to be updated and this requires a co-ordinated input from the various administrative levels of the EU. For this, the member states have to identify priorities among the new Commission proposals and co-ordinate impact assessments internally to arrive at joined-up perspectives on any predicted impacts. Even if the Commission produced proposals that were 'subsidiarity proof', 'integrated' and with the strongest evidence base possible – which, of course, already demands much from its co-ordination capacities – its policy ambitions still have to be guaranteed in the remaining phases of the negotiations with the Parliament and the Council. Proportionality, consistency, subsidiarity and the governance mode for achieving them – namely impact assessment – all depend on horizontal and vertical co-ordination between sectors and levels throughout the policy process. They require the DGs to co-ordinate horizontally, and sector DGs and national administrations to co-ordinate vertically to acquire the information, agree on objectives and ensure collective leadership in seeing to it that policy objectives are preserved during the heat of the negotiations between the – probably much more single minded – sectoral specialists in the Parliament and the Council. It is not enough merely to indicate what the consequences of a policy amendment might be for ambitious policy objectives like 'integration'; the permanent involvement of officials in the lead department is necessary to ensure that this takes place.

If we take the example of the Cardiff Process, a series of administrative tasks therefore seem particularly pertinent:

- Sector DGs in the Commission and sector departments at national level need to give sufficient attention to environmental implications when preparing a new policy. However, they tend to have their own objectives, hence they may not be easily inclined to give horizontal objectives equal status.
- The lead DG (in our case Environment) needs to monitor the agendas of other DGs to ensure that its interests are incorporated early on.
- Sector DGs in the Commission and national officials should ensure that 'their' Council is supportive. The sector officials will be particularly motivated to think horizontally if they know that the Council is keen to support such objectives. Hence, national officials who support DGs in the writing of new proposals have to indicate that their countries will monitor the handling of environmental implications in their impact assessments.
- National officials from environment departments have to monitor their opposite numbers in cognate sectors. In a multi-level system of governance like the EU, officials from environmental departments have to monitor the sector experts in each phase of decision-making to put pressure on Commission DGs and to ensure that officials negotiating in the sector Councils keep an eye on environmental matters. This will help officials in DG Environment to find receptive ears in the sector DGs.

These demands in turn imply that:

- environment officials should switch their focus from activities in the Environment Council towards other sectoral Councils;
- environment departments should work much more proactively on the basis of agendas of Commission and EU Presidencies;
- there is much greater co-operation between the impact assessment activities undertaken at different administrative levels.

These requirements (a similar list could be drawn up for 'Lisbon' or gender mainstreaming etc.) highlight some of the administrative demands associated with the use of network-based modes of governance. They also emphasize the need to examine more broadly how well policy objectives set at EU and national levels have been translated into administrative roles and procedures governing the everyday grind of policy-making. Finally, they also indicate the importance of considering how EU agendas are co-ordinated nationally. Who, for example, is involved in the preparation of policy agendas? And are the procedures by which departments influence one another efficient? In short, do all the participating actors have the administrative capacities to cope with the demands imposed by network-based modes of governance?

### Managing bureaucratic politics

These requirements emphasize the extent to which the more ambitious governance projects impose a collective responsibility upon the member states and EU institutions (see Council of the European Union 2006). However, monitoring policy negotiations in other sectors throughout successive policy phases, and ensuring that any lessons learned are faithfully implemented by the various departments concerned, are much more labour-intensive tasks than is commonly supposed. The governance literature seems to assume that these things can be achieved via informal means (e.g. Eberlein and Kerwer 2004). However, as an approach to co-ordination, relying on bureaucratic politics (i.e. every sector fighting its corner) has its limitations. Scholars from the Carnegie School (Cyert and March 1963) have analysed various administrative devices (e.g. rules, values and horizontal co-ordination mechanisms) to overcome them (Bendor and Hammond 1992). Co-ordination is thus not only about informal relations or bureaucratic politics, but also about creating the right administrative capacities to find common values and objectives.

Borrowing from Mintzberg's (1979) synthesis of the literature, rule systems and horizontal co-ordination mechanisms are of particular importance in the management of EU policy-making. An important distinction can be made between rules that encourage a *passive* or a more *active* exchange of information (Schout 1999). In the case of passive information, departments that are not in the lead are entitled to receive the relevant information about spillover effects, but they have to hunt around to find out – and influence – what the lead department is doing. This adds up to a huge amount of work for those departments that have to supervise quality of legislation or may want to have a say in the impact assessments. As discussed in more detail below, the Netherlands and the Commission have traditionally been hamstrung by passive information flows. In active information rule systems, the lead department is formally obliged to ensure that other departments are informed and their views incorporated in the co-ordination process. It facilitates a relatively proactive and non-hierarchical way of co-ordination (problems, for example, are detected early on) which greatly facilitates the use of network-based modes of governance. Moreover, it is efficient because, as in the UK, the workload of co-ordination rests with the lead department. In the next section, we assess how likely it is that the administrative capacities in the three actors will change in the short to medium term to meet the demands of network-based modes of governance.

### 4. SUPPORTING NEW MODES: TRENDS IN ADMINISTRATIVE CAPACITIES

Much of the literature on EU policy co-ordination as well as some influential Council and Commission documents (e.g. Trumpf-Piris 1999) conclude that Council and Commission suffer from insufficient internal co-ordination. In fact, states may not necessarily want 'policy co-ordination' in a very general

sense; a more immediate priority might be achieving a particular policy objective such as maximizing their share of EU funding (Peters and Wright 2001). What stands out in the existing literature are the repeated complaints made about reactive and chronically inefficient policy-making (Kassim *et al.* 2000). Many states, it seems, wait until a late stage (e.g. the instruction meetings before the Committee of Permanent Representatives (COREPER) or Council) to settle internal disputes.

Looking at these characteristics, it is not immediately clear whether recent reforms have gone far enough to cope with the use of more network-based modes of governance. The UK, which is often presented as being highly centralized, might be easily overloaded by the newer modes (cf. Kassim 2000; Peters and Wright 2001), whereas the Dutch co-ordination system might fare better as it is seemingly under constant review. The Commission also has a tradition of reactive co-ordination (Spence 2000). Owing to the strong and often nationally oriented Director Generals and Commissioners, early co-ordination has often been prevented. The Secretariat General's position has traditionally been too weak to correct this, resembling more the national foreign affairs ministries than a co-ordinating nerve centre. Evaluations of Commission reform offer little hope as the title of Spence's (2000) paper encapsulates: 'Plus ça, change, plus c'est la même chose' (see also Levy 2005 and Peters and Wright 2001: 167). But, do any of these views still hold true, particularly with respect to the administrative challenges arising from the use of network-based modes of governance? In order to answer this question, we look at the administrative capacities in the three actors starting with the Netherlands.

## The Netherlands

The Dutch co-ordination system is based on departmental autonomy as well as on collective responsibility for external relations. The Dutch joined the EU in the 1950s when there was unanimity voting in the Council. Since then, EU policy co-ordination in the Netherlands has remained rather reactive. The focal point has been the CoCo meeting (Co-ordinating Committee) chaired by the junior minister for EU affairs. Over time several changes have been implemented. When COREPER became more important, a special committee was created for co-ordinating instructions for COREPER. The increase in EU legislation in the 1980s resulted in several nasty surprises (e.g. the financial impact of EU equal opportunities policies on employers) and many implementation problems. A new committee – Beoordeling Nieuwe Commissievoorstellen – (BNC) was therefore created around 1990 to assess the financial and legal consequences of new Commission proposals. However, it lacked the necessary expertise and so had to be upgraded with further (sub)committees covering legal questions and implementation plans. In addition, there has been a constant search for new rules governing different kinds of impact assessments (e.g. covering gender equality, development co-operation, administrative costs, subsidiarity

and the environment). However, these new rules have not led to major improvements in the quality of the BNC's analysis or to earlier co-ordination beyond facilitating the earlier exchange of information on new legislation.

Hence, there has been an incremental process of building and adjusting matrix-type structures to make the whole system more proactive. However, the fact that reform discussions have remained on the political agenda underlines the stability of the system. Several reports have recently been dedicated to upgrading co-ordination with the aim to make it proactive, to stimulate early political choices and to make co-ordination more efficient. Their follow-up, however, has remained marginal and there is very little capacity at central level to initiate changes. The Prime Minister's office can do little as this would be seen as a power grab. Foreign affairs departments are in a difficult position as any discussion about reform is seen as a criticism of their performance. Moreover, it fears that it has a lot to lose, for example, if the Prime Minister's office becomes the co-ordinating body. Furthermore, no other department can initiate discussions on reform nor do they have the incentives, fearing a further loss of independence.

There is a broadly shared concern about administrative capacities and there is an increase in the number of matrix committees trying to make a reactive system proactive. Despite the reforms, the emphasis has remained on co-ordinating Council decisions. In the case of disagreements, officials prefer to wait until the proposal reaches the COREPER instruction or the CoCo meetings. Owing to the addition of committees, a conservative estimate is that there are now approximately 60 people fully occupied in preparing and taking part in the – mostly weekly – meetings. Hence, Dutch EU policy-making is largely based on horizontal co-ordination (informally and in teams) and has become increasingly cumbersome and inefficient.

### **The United Kingdom**

The UK is widely recognized as having one of the strongest and most effectively co-ordinated systems of any member state. Before it joined the EU, the UK examined what the other member states were doing and concluded that its existing inter-departmental relations were fit for purpose (Metcalfé 1994). Although occasionally presented as a centralized system (Kassim 2003: 93), the UK system is based on the subsidiarity principle, i.e. line departments are primarily responsible for managing their proposals and co-ordination problems are only referred upwards to inter-departmental committees if they cannot be solved bilaterally and proactively (Schout and Jordan 2005). Active co-ordination is an important principle in this rule system and is backed up by the stick that the Cabinet Office will threaten to directly intervene. The workload of co-ordination lies primarily on the shoulders of the lead department. This underlines that the rule system is not simply one of specific operating rules stating what to do at specific steps in the processes, but more importantly it is highly reliant on the general administrative rule of active co-ordination.

These values and rules make co-ordination particularly efficient, as the lead department should take steps to involve others and pay heed to their interests. Active co-ordination stimulates a proactive exchange of information and the early detection of problems. This leads to proactive 'issue co-ordination' – a problem is discussed when it arises, contrary to the Dutch reactive 'event co-ordination' where problems are discussed when the event of a COREPER or Council meeting approaches. Importantly, the workload of horizontal co-ordination is on the shoulders of the lead department. It has to warn of new developments, point to potential consequences, and ensure that the views of cognate departments are fully incorporated.

Whereas the Dutch have searched for more horizontal matrix-type structures, the British have improved their system by deleting committees. Recently, some high-level co-ordinating committees were replaced by one inter-departmental meeting on Fridays named after the relevant senior officials in the Cabinet Office and the Permanent Representative. This meeting only involves those ministries that have a stake in the issue(s) on the agenda. As the meeting moves through the day's agenda, officials from the relevant ministries arrive and depart, sometimes in quick succession. As a result, the UK system has become even more efficient, something which corresponds with the expectations of co-ordination theory (i.e. more interdependence would need more efficient matrix-type structures instead of merely more matrix-type systems). Similarly, the UK does not simply add new rules; rather, it relies on active co-ordination. With rules stressing the importance of informing other departments of potential implications of the EU negotiations and the use of fewer – but more subsidiarity-based – teams, the system is based on a mix of horizontal and bureaucratic mechanisms. In the UK, the mix of co-ordination capacities does seem to 'matter' (Olsen 2005: 16), but in the Netherlands the capacities are not mutually reinforcing.

### **The European Commission**

When looking at the reputation of the Commission as an organization, one wonders why it has advocated the pursuit of horizontal objectives so strongly. As discussed above, many have portrayed it as a highly fragmented organization. Yet, it has been a great supporter of better legislation and good governance principles (e.g. European Commission 2001, 2005a) but, given Peters and Wright's (2001) point about internal rivalries, we should not expect any reforms to be an overnight success.

The organizational weaknesses have been known inside the Commission for a long time. Commission President Santer initiated a range of studies and change measures, giving his reform efforts a highly rational – i.e. deliberate – accent, with clearer organizational roles (leadership through units in various DGs and the Secretariat General), operating rules and codes of conduct for Commissioners and officials alike (Jordan and Schout 2006). Following the fall of the Santer Commission, administrative reforms in the Commission have

become even more politically important, with a dedicated Commissioner. The 'Kinnock reforms' have resulted in a range of bureaucratic operating mechanisms (in the positive sense). Code books have been produced which emphasize better – i.e. more active – co-ordination (e.g. European Commission 2004) and an overhaul of the Commission's work-planning has been pushed through. The new programming initiative is run by an enlarged Secretariat and organized on a rolling system of three-monthly and (multi-)annual programming. Internally as well as externally, this programming offers maximum transparency as every proposal is supported by at least a short 'roadmap' (a presentation of likely consequences) or even with a fully integrated impact assessment. These are available on the Commission's website. In addition, the Commission's work-planning is now linked to inter-institutional work-planning with the European Parliament and Council (2003/C 321/01) adding to its influence and focus. Furthermore, co-ordination has been upgraded among others by a range of rules for early internal and external consultation in the codes of conduct, rules of procedure and background documents of the roadmaps and impact assessment system (Radaelli and de Francesco 2007).

At first sight, the results of the reforms do not appear to have added up to much. Levy (2005) concluded that they merely generated more red tape which risked overloading officials without producing actual changes. However, the change package evaluated by Levy covers financial and human resource management programmes. We focus on policy co-ordination and arrive at a slightly different conclusion. Our interviews clearly show a drastic change from a traditionally hierarchical organization with little room for horizontal co-ordination into an organization that has become in a short span of time much more informal and open to internal and external co-ordination. The Commission has relied on the same set of co-ordinating committees for a long time (i.e. the meetings of special chefs, the cabinet chefs – 'Hebdo' – and the College meetings on Wednesdays). Hence, the matrix-type structures have not changed – albeit that some horizontal teams were created such as the Impact Assessment Board. The internal organization of the Commission was strengthened mainly through stronger planning mechanisms by enlarging the Secretariat. From a relatively weak body fighting to make its voice heard amidst strong DGs, the Secretariat has evolved and is now clearly in the lead when it comes to work-planning, priority setting and allocating resources (European Commission 2005b). This has made the monitoring of policy preparations and of the quality of the background papers more effective. In addition, the new rules emphasize early consultation and collective responsibilities at official level and between Commissioners (European Commission 2004, 2005b).

To summarize, the reform of co-ordination in the Commission has been highly procedure-based. This does not easily fit with the traditional Napoleonic organization type (Levy 2005) which is typically hierarchical and built around strong personalities. But the reform of the Commission does imply that a

structural change towards a more Weberian form has occurred. This has not, of course, made the Commission an easy place to work in as the DGs still 'fight like cats and dogs' (to quote another interviewee). However, officials emphasized that they no longer close the doors of their DGs until a policy is more or less finalized.

## 5. CONCLUSIONS

The EU governance literature has begun to consolidate around a number of key themes. However, the discussion around the administrative (or 'polity') underpinnings of new modes of governance remains at a fairly general level. This may be partly ideological, as many network theories often implicitly assume that networks – and hence network-based modes of governing – effectively 'self-organize' after an initial injection of political support, hence there is little or no need for public administration. It may also be a function of political oversight given that the vast majority of political pronouncements on the need for more co-ordination/consistency/coherence in the EU barely touch upon the vexed but hugely important issue of administrative capacities.

In this paper we have sought to remedy this gap by connecting three hitherto unlinked literatures: the first on new (and specifically network-based) modes of governance; the second on recent trends in administrative capacities at national level and within key EU institutions; and the third on ambitious, cross-cutting policy objectives. By doing this, we have tried to move beyond the standard triad of governing either by markets, networks or hierarchies. Drawing on an analysis of a particular network-based mode of governance (the Cardiff Process) we have identified the demands imposed on the participating administrative systems. These demands included being more efficient (based on a subsidiarity-based co-ordination system and active information) and proactive (based on agreed priorities).

Having studied the Commission, the UK and the Netherlands, our conclusions are more positive than we initially expected. The UK has maintained its decentralized and efficient ways of working; in fact, it has managed to reduce the number of matrix structures to achieve even greater efficiency gains. Moreover, by using the Commission's and the Presidency's agendas, it has been able to identify priorities much earlier than the other two actors. The Commission has made significant strides towards greater internal co-ordination, signifying a structural change from a Napoleonic hierarchy towards a more efficient Weberian one. These reforms have largely been rule-based with a strong emphasis on procedures for undertaking impact assessments and work-planning. Such reforms are a precondition for better and transparent co-ordination both internally and externally. By contrast, the Netherlands appears to have moved in a perverse direction: it has become even more elaborate (and hence inefficient) with more and more matrix structures and ever more detailed rules that hardly affect the substance and outcomes of co-ordination. We can see that the Commission and the UK have implemented – or are in the process of implementing – administrative changes

which do fit better with some of the EU's more ambitious policy objectives. The Netherlands seems to be even more incapable of coping with the administrative demands associated with ambitious governance projects.

In an EU of 27 member states, we can only speculate on what this finding might imply for other actors and other policy objectives. Generalizations are, of course, dangerous, given the various political factors that have to be taken into account (e.g. the general attitude of each member state towards the EU (Börzel and Risse 2003)) and ongoing administrative reforms, particularly in the newest member states in Eastern Europe (Dimitrova and Toshkov 2007). However, in our sample we have three actors that have been strong advocates of networked governance and equally strong supporters of ambitious, cross-cutting governance projects like environmental policy integration. Even so, the Dutch have persistently failed to upgrade their administrative capacities. They are not alone in this respect; doubts have also been expressed about the administrative capacity of other actors such as the European Parliament and Germany (Jordan and Schout 2006). Moreover, the Netherlands with its coalition government and its tradition of departmental autonomy may be much more representative of what other member states would be like than the UK. The UK and the Commission show that the ambitions of the EU's governance projects are not beyond reach. Nevertheless, the question of whether enough administrations have upgraded their co-ordinating capacities to make network-based modes function effectively has sadly attracted far less scholarly attention than the identification and classification of different kinds of governing modes at EU level.

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