OECD, EU, governments, and isomorphic processes: the Jobs Strategies in the 1990s and 2000s

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Based on interviews and original archives and with a process-tracing approach, my purpose aims to analyse the respective and linked works of OECD and European Union on employment/unemployment policies, namely and respectively the Jobs strategy and European Employment Strategy. An examination of the job and unemployment programs of the OECD and the European Commission in the two decades since 1990 shows that their homologous circuit of production and legitimation has been marked by the domination of governments and these organizations’ “economic” sectors over “social” sectors. Despite their own specificity, each of these institutional universes is characterized by an asymmetric relationship between the “economic” and the “social”, something that affects the content of their diagnostics and prescriptions, the social and bureaucratic status of the different actors, as well as the flow of transactions between them. This contribution thus takes seriously the effects and actualizations of the process of isomorphic differentiation between the “economic” and the “social” that has over the long term been pursued by Western states, a process that affects the very structures of these internationalized spaces and that informs in this case on the paths of making and of dissemination of neoliberal public ideas and policies.

This paper is a redux English version of:

“Some reason in terms of economic efficiency, a strong currency and competitiveness, individual excellence and global challenges; others focus on the perils of a polarised society, the importance of solidarity and the integration of individuals in the community, and the need to revitalise the fabric of society at local level. The former may be left-wing or right-wing, as may the latter. And while their political leaning is of little importance in this matter, the former clearly dominate the latter.”

In the social sciences, much like in other sciences, an intelligibility of phenomena has emerged out of the search for homologies, generally breaking with their usual construction and perception. Examples are those found between scholastic thought and gothic art, religious belief and the economic ethos, the fields of production and those of the consumption of cultural assets. In such cases, homology is conceived as the shorthand of a correspondence that is not term-to-term but rather relation-to-relation. Therefore, it is not surprising that the list can be extended, considering that “analogical understanding and intelligibility are synonyms in the historical sciences.”

As a theoretical tool that methodologically restricts the interpretation of observations, homological reasoning emphasises the specificity of the cases being examined and their area of relevance through the limits and extensions it generates itself. I shall bring to light and explore a homology in the structuration of relational spaces.


2. The challenge of knowledge, as Charles S. Peirce wrote, is to represent “the relations, mainly dyadic, or so regarded, of the parts of one thing by analogous relations in their own parts”. Cited by Hugues Constantin de Chanay, Sylvianne Rémi-Giraud, “‘Espèces d’espaces’: approche linguistique et sémiotique de la métaphore”, Mots, 68 (1), 2002, pp 75-105, in which a distinction is drawn between analogy (substantial resemblance) and homology (relational resemblance). In this paper I shall use both meanings given that the subject in question, as is often the case, unites them (homo-analogical structure).


When defining policies for employment and the fight against unemployment from the mid-1990s to the end of the 2000s, the Organisation for Economic Cooperation and Development (OECD) and the European Commission (EC) followed an analogous *institutional segmentation* in two sub-spaces: an “economic” structuring pole and a “social” structuring pole, with the former dominating the latter. The government actors who took part in the respective OECD and EC working committees conformed, within their national bureaucratic field and international circulation, to a homologous asymmetry between ministries. The directors of each institution also had direct contact with their counterparts through work conferences and meetings, data exchanges, shared texts and press conferences, etc. This transit, or circulation, followed the same structural divide, in this case illustrated by close interaction between the “social” sectors of the EC and the OECD. The homology of structuration therefore included divided transactional flows between these two arenas or, alternatively, a form of social conductivity operating under the influence of this structural constraint.

Paradoxically, this method of organising observations by following such sectorial dividing lines through their practical effects – in other words giving serious consideration to the process by which Western governments have long since differentiated between the “economic” and the “social” with regard to employment and unemployment, and which here concerns the very structures of these “internationalised” spaces – is not self-evident. It is confronted by two common perspectives which may combine and which, at best, constitute a prerequisite or

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5. Here I question those studies of historical sociology and political economics that have made a division between “public” and “private”, “economic” and “social”, and their area of research, without necessarily avoiding the obstacles of substantialism, functionalism and economicism. For a reactivation of this research programme, see Vincent Gayon, Benjamin Lemoine (ed.), “Argent public”, *Genèses*, 80 (3), 2010, special issue and Vincent Gayon, Benjamin Lemoine, “Maintenir l’ordre économique. Politiques de désencastrement et de réencastrement de l’économie”, *Politix*, 2014 (1), p. 7-35.
intermediate result or, at worst, an error or research obstacle: the hermeneutic approach and the monographic approach. Although the former may indeed evoke certain elective affinities in discursive terms (specifically, static analogies that bring out the ideal systematicity – if it exists – of their programme of action), it remains on the threshold of these institutions and presents them as homogeneous authors by accepting their standardised productions. And yet the sociological study of such discourses – and, even more so, of their social force – should not neglect to carry out a review of their creation and use. It should include, in particular, the case of actors who took part in their pronouncement but who, caught up by other constraints at other times (such as political competition or national bureaucratic rivalries), have seen their relationship with this type of discursive production noticeably distort. The monographic approach also intensifies, without questioning it, a unified self-presentation (particularly thanks to the law) and abandons a relational hypothesis that is curious about the space(s) in which the institutions and their actors are caught up, whether or not they want to be and regardless of whether or not they admit to it publicly in statements or interviews. In short, it disregards the interdependencies (extent and concentration) between services and between national and international organisations.

Any analysis of the European Union’s European Employment Strategy (EES) that sets national and European “levels” against each other or considers that the EC and the OECD are different types of organisation (transnational vs. intergovernmental; political body vs. think tank; hard law vs. soft law) and thus immeasurable a priori, would miss out a large part of the practical logic of the actors and specificities of the EES.

In this atomistic dynamic, a number of studies isolate the institutional spheres from the “social” and are only mildly curious about the operations of interpretative and prescriptive guidance carried out by the “economic” poles when creating programmes of “employment policy activation”. Likewise, they have overlooked the anticipations and reappropriations of methods of analysis made by the “social” sectors and the
influence of their “economic” counterparts. This perspective underestimates or even excludes the role those methods play in the construction of social policy, just as it accepts without question the specific configuration of employment and unemployment as categories of public action over the last 30 years, or, rather, their macroeconomic determinants. The monographic error is in keeping with the dynamic of the division of academic work that ratifies, fuels and often strengthens bureaucratic differentiation and benefits from its legitimacy – and sometimes from its material resources – in order to construct itself; in this case, “European studies” are a textbook case. This sectorisation, however, offers no methodological or theoretical argument to justify being satisfied with the construction of the object⁶.

My analysis thus includes the inter and intrasectorial interplay in which the “social” and “economic” sectors of the OECD, the EC and the governments were engaged for the design and promotion of “active” employment policies in the 1990s and 2000s. I examine the concomitant constructions of their respective Employment Strategies, which reconstruct, following a (neo)liberal orientation, the problem of unemployment, the role of the State and welfare protection systems. In launching twin programmes of action, the OECD and the EC remained entirely separate. This notional twinship can be explained by a homologous mode of structuration that does not exclude – indeed, promotes – inter-institutional exchanges shaped by the recurrent asymmetry between economic and social sectors.

⁶. The research of Martin Heidenreich and Gabriele Bischoff (“The Open Method of Co-ordination: A Way to the Europeanization of Social and Employment Policies?”, Journal of Common Market Studies, 46 (3), 2008, pp 497-532) does better than others at avoiding the pitfalls mentioned earlier, and it identifies the institutionalisation of one or several “social fields” (as described by Fligstein and Stone Sweet) situated at the meeting point between European and national administrations, which exert on actors and their organisations a form of “isomorphic pressures” (DiMaggio-Powell) through a “structural coupling” effect (Luhmann). These isomorphic pressures and structural coupling are little-documented and never linked to the asymmetry between economic policies and social policies that structure the European space (nonetheless noted by Scharpf); this asymmetry has been analysed at too high a level of aggregation and isolation: at times it has overlooked the differentiation between services and, at other times, the OECD.
Homology of structuration, dynamic analogy: the production of “activation”

In the OECD and the EC, the economic sectors set the tone, decide the pace and direction and establish an explanatory and normative framework for employment and unemployment on which the social poles are based. At the outset, this structural subordination of the social sectors appeared to be almost interactive. Once the Strategies were under way, the issues tended to divide into sectors and the cognitive and institutional influence of the economic sectors tended to engage more indirectly.

The Jobs Study and Jobs Strategy under the control of the economic sectors at the OECD

The OECD can no doubt claim responsibility for redefining the term “activation”, as well as for having had a pioneering role in its instrumentation, in the form of benchmarking. Following and transforming the Swedish-style “active employment policies” of the Gösta Rehn era in the 1960s and 1970s, the activation programme developed in the 1980s and took on its systematised form with the 1994 Jobs Study, followed by its operational form with the 1995 Jobs Strategy, a few years before the EES. The OECD was therefore able to provide European circles with a universal programme of action and a method of implementation that were also established and negotiated by the main European governments. The writing of the Jobs Study confirmed the dominance of the economic sectors over the social sectors: the Economics Department (ECO) of the OECD remained the chief supplier of data and

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7. Along with Rudolf Meidner, Rehn was an influential figure in the Swedish model of activation (high levels of professional and geographical mobility coupled with professional development programmes and works of general interest as well as with a solid public employment service) and the director of the OECD Department of Manpower and Social Affairs from 1962 to 1973.
analysis for report writing in the area covered by the Directorate for Education, Employment, Labour and Social Affairs (DEELSA)\(^8\), and enjoyed privileged contact with Finance ministries through its Economic Policy Committee\(^9\). In 1995, in its annual meeting with the Finance ministries, the OECD Council endorsed the recommendations and priorities defined by each country and entrusted their “implementation” to the organisation’s economic sectors and to delegations via the Economic and Development Review Committee (EDRC). The ministries of Work, Education, Industry and Research were only occasionally represented, whereas the Economics delegations were relentlessly ubiquitous. At the same time, ECO turned its recommendations into a list of indicators with which to draw up a hit list between countries. It took a harder line: social contributions and benefits (“passive expenditures”) must be reduced in order to “make work pay” and allow the labour market to set salaries itself\(^10\).

The “activation of employment policies” thus focused on activating the unemployed by strengthening control, reducing the amount and duration of unemployment benefit, investing in their “human capital” and generally developing “activity” measured against the employment rate and without taking into account the quality of jobs being offered; this put downward pressure on wages and social rights in line with macroeconomic “competitiveness” imperatives, “price stability” and “control over public spending”. This problematisation allowed a shift away from the model of the worker’s universal right to protection (the statute) towards that of the individual incentive – even obligation – to work and become trained (the insertion contract). The individualised conception of unemployment risk, the measures used and the goals pursued led to the programmatic transformation of the “Welfare State” into

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8. Renamed DELSA in 2002 following the creation of a Directorate for Education at the OECD. The acronym used here will depend on the period in question.
“Workfare”, “Welfare to Work” and even the “active social State”. The “social” dimension and justice in the after-war welfare state were redefined by the “economic” dimension and the normativity of the neoclassic labour market, once the pre-Keynesian macro and microeconomic models had been reaffirmed. The dominant role played by ECO and the Finance ministries in the drafting of the Jobs Study and the Jobs Strategy follow-up thus established a universalising or “one size fits all” interpretation of the OECD recommendations and gave them their full social force. This “shaping” fed on the intentionally reductive methodology and ontology of macroeconomic orthodoxy, combined with a metrological chaining (GDP, rates of inflation, growth, debt and public deficit, NAIRU) that is the presiding lingua franca in these sectors. Conversely, below I provide an understanding of the investment made by the OECD’s “social” sectors (DEELSA and the social ministries) in the EES, which was considered less dogmatic simply because it was open to them and to data that was more contextualising and also more fragmented11.

The intrusion of the EU’s Economic Policy Committee in the establishment of the EES

At the Extraordinary European Council Meeting in 1997, it was decided that from 1998 employment measures contained in the Treaty of Amsterdam (Title VIII, articles 125-130) would be applied even before the Treaty came into force. The EU Member States should “work towards developing a co-ordinated strategy for employment” by applying an “open method of co-ordination” (OMC) inspired by the “peer review” techniques that had been used since the establishment of the Economic and Monetary Union (EMU) – and particularly in the OECD (and even the IMF) – several decades before and whose form was renewed through the “performance” benchmarking of public administrations and

11. Homologous on environmental issues at the OECD, the EDRC and its neoclassical approach was opposed to the Environmental Performance Reviews and their defence of more institutionalist environmental economics. See Markku Lehtonen, “OECD Organisational Discourse, Peer Reviews and Sustainable Development: An Ecological-Institutionalist Perspective”, Ecological Economics, 69 (2), 2009, pp 389-397.
then, with the Jobs Strategy, of employment systems\textsuperscript{12}.

The EU then resumed its use of co-ordination techniques and methods promoted in the OECD and backed by governments – particularly their economics directors – a few years before. The political challenge was to design the structure of the European labour markets and social protection systems not through normative integration (where the principle of subsidiarity is upheld in the EU) but through competitive collaboration (based on the sovereign will of States to enter into competition).

The OMC is based on convergence through objectives rather than integration through right; it also constitutes a neomanagerial challenge to the “intergovernmental method/community method” dichotomy by attributing a decisive role to committee-based work that brings together senior officials from Member States and the EU. The governments then commit to drawing up annual “National Employment Action Plans” (NEAP) which serve as a tool for monitoring performances, taking into account the “Employment Guidelines” (EGL). These guidelines are \textit{de facto} drawn up within the EC by the Directorate General for Employment and Social Affairs (DG EMPL; formerly DG V), then passed on for amendments to the Employment Committee (EMCO, formerly ELMC) created at the end of 1996, which brings together representatives from the Employment ministries and members of the DG EMPL. The EGL are then voted on annually by qualified majority in the Employment and Social Affairs (ESA) Council meeting of employment ministers, held three to six times a year. They had to respect the EU objectives drawn up by the EC’s Directorate General for Economic and Financial Affairs (DG ECFIN, formerly DG II) and decide on in their macro and microeconomic parts by the Economic Policy Committee (EPC-EU) and the Economic and Financial Committee (EFC, formerly MC), and then the ECOFIN Council. The latter brings together Finance ministers and the European Central Bank (ECB) and meets ten to twelve times a year.

Since the Treaties of Maastricht (1992), Amsterdam (1997) and Nice (2000), these

objectives represent the Broad Economic Policy Guidelines (BEPG), of which a “balanced budget” and “price stability” form the core. The BEPG have legal precedence over the EGL and precede them in the order of events: in order to be adopted, the EGL must be in line with the BEPG and not the other way round. EU law and practice thus objectify and sanction the asymmetry between “economic” and “social”, between economic freedoms and social rights, and in many respects, between “capital” and “work” (understood as social relations)\textsuperscript{13}.

The structural influence of the economic sectors in the defining of the employment guidelines was crudely expressed in the establishment of the European Employment Strategy. Whereas the Treaty of Amsterdam had provided for a specific role for the Employment Committee on this matter, the Economic Policy Committee imposed itself in the drafting of the Strategy. One confidential mail sent by the advisor on Social Affairs of the Permanent Representation of France to the European Union to her supervisory authority highlighted the way in which the EPC was encroaching on the Employment Committee’s jurisdiction: the EPC devoted “more time in its work programme to scrutinising employment plans than the Employment Committee itself”, and was trying to negotiate a joint report with the Employment Committee, to which the representatives of the French Labour ministry and other delegations were opposed\textsuperscript{14}.

The advisor noted the risks of such a co-production for the Employment Committee: “‘Smoothing over’ all the rough patches in order to reach a compromise between the views of both committees, [this option] denies the political level the power of arbitration to which it is entitled. It is likely to uphold the views of the Economic Policy Committee, which,

\textsuperscript{13} This subordination is well known; it is indexed to the development of the internal market and supported by the jurisprudence of the Court of Justice of the European Union (CJEU; formerly CJEC). See for example John Grahl (ed.), \textit{Global Finance and Social Europe}, Cheltenham, Edward Elgar, 2009; Olivier De Schutter, “L’équilibre entre l’économique et le social dans les traités européens”, \textit{Revue française des affaires sociales}, 1 (1), 2006, pp 131-157.

as we saw last autumn (opinion on the draft guidelines), was not favourable to our notions of employment. Given the very short amount of time available, it would result in a co-drafting by the two presidents, and the committee members would not be fully involved. Bernard Kouchner\textsuperscript{15}, who represented France at the Employment and Social Affairs Council meeting of 7 April, mentioned this. Several other ministers have expressed concerns that the Council should not be deprived of its decision-making power”.

This interference from the Economic Policy Committee aroused protests from social delegations right up to the ministerial level in the Council. There was competition between ministries in the European space and an imbalance in the resources mobilised by the two committees. The EPC was the one to request the greatest number of changes and studies in extremely limited periods of time. There was a clear homology with the high editorial and transactional capability of the OECD Economic Policy Committee (EPC-OECD) on the Jobs Study and the Jobs Strategy. The intercommittee battle involved the production of (rival) “opinions” and “rough drafts”, becoming a real “paper war”\textsuperscript{16}. One of the possible outcomes for EMCO, if it wished to retain a shred of autonomy in such a situation, was precisely to play with the final version of the document by putting forward a text “to which the opinion of the EPC is annexed or included as is”. In short, it was better not to enter into negotiations with the EPC, as the outcome appeared to be a foregone conclusion. In order to reduce this level of influence, the search for “compromise” or “consensus” was combated here by an expertly crafted written form.

The working method used by the Employment Committee and the time spent reviewing countries were also directly challenged. While the EPC had provided a list of specific questions to guide reviews, EMCO on the other hand “trusts the delegations responsible in turn for questioning their colleagues on the drafting of the national

\textsuperscript{15} Then Secretary of State for Health under the Minister of Employment and Social Solidarity, Martine Aubry; Ms Aubry was not closely involved with the European institutions on this issue.

\textsuperscript{16} With the exception of the EFC which, manifestly and homologously with Working Party n° 3 of the EPC of the OECD, leaves little written evidence and acts in secret (historically the motivation for this was to avoid currency and financial speculation).
action plan”. The advisor on Social Affairs expressed her fears in this regard, if a precise framework and objectives to be achieved in this review were not established: “Failing that, there is a concern that the ‘pragmatic’ approach advocated by Mr Borstlap [EMCO president17] in his letter to his colleagues regarding collaboration with the EPC might result in the more organised views of the committee prevailing”. If nothing were done, the well-established views of the EPC would dominate, focusing on “economic and financial aspects” and benefiting from the expertise, already negotiated, of the EDRC in the OECD on employment issues. Moreover, those members of the social delegations who believed they could influence the EPC’s macroeconomic policies were deemed ‘very optimistic’”.

In hindsight, the advisor’s fears18 appear well-founded: joint meetings between the EPC and EMCO were held a few months later and a compromise text was drafted and finalised by the Council’s joint ECOFIN/LSA collaboration19, while no amendments were made to any macroeconomic policies and no critical review of the national plans was carried out. Like the ECP of the OECD for the Jobs Study and the Jobs Strategy, through

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17. Hans Borstlap earned his doctorate in political science from the Free University of Amsterdam. He began working as a journalist on the Dutch conservative newspaper Trouw then became a staff researcher at the Institute for Policy Research of the Christian Democrat party (Kuyper Foundation) in the Netherlands. In his career he has combined social and economic affairs at national level (counsellor to the Prime Minister on socio-economic and financial affairs, director of the ministry of Social Affairs, advisory member of the Banking Commission of the Nederlandsche Bank), at European level (Member of the EU Group of Directors-General for Employment and then the EPC of the EU), and in the OECD (Member of the OECD High Level Group on Employment), making him an appropriate intermediary for reaching a compromise with the “economic pole”.

18. Claire Aubin graduated from the École Nationale d’Administration (ENA) in 1981. Her career path illustrates the toing and froing between France and Europe that was common in the “social” spheres: she was policy advisor on European issues at the Employment ministry from 1981 to 1985, then worked at the Department of external economic relations at the Finance ministry from 1986 to 1988. She became head of the Yvelines regional department of health and social affairs (DDASS) from 1988 to 1990, and then was a member of the cabinets of Jean-Pierre Soisson and Martine Aubry at the Employment ministry before being appointed inspector at the General Inspectorate for Social Affairs (IGAS) from 1992 to 1997. She then moved to Brussels as a Social Affairs advisor from 1997 to 2002 before rejoining IGAS where, as general inspector, she co-wrote a report on the “European dimension of social policies”.

its long-standing institutionalised operational and informational resources\textsuperscript{20}, strengthened by the BEPG, the EPC of the EU from the very conception of the EES became a vital player in limiting the axiomatic to the management of labour markets. This ascendancy was also a result of institutional weakness and dispersed “social” views. In EMCO (and the Social Protection Committee, created in 2000), the “social” dimension was fragmented, arising from past national compromises that employment action plans reflected in their own way. A dominant pole promoted a “third way” made of “employability”, “entrepreneurship” and “individual responsibility” for job seekers, and combining fiscal orthodoxy with “activation of passive expenditures” (Blair/Schröder tandem, backed by Aznar). A dominated pole defended the existence of strong social rights coupled with core training and reinsertion measures, and a flexible, inclusive labour market (Swedish and Danish approach). With the French case and the policy of reduced working hours (backed in 1999 by the Italian employment ministry), an even more isolated third pole emerged for a time, reorganising employment policy and macroeconomic policy on a Keynesian basis and questioning the quality of employment\textsuperscript{21}.

The political as well as statistical division of the social sectors served the interests of the DG EMPL (headed by Allan Larsson then Odile Quintin) which, beyond its conciliatory role, had claimed a virtual right of initiative and arbitration in EMCO, leading sessions through its own productions and thus acting as an unofficial administrator\textsuperscript{22}. In the 2000s, the macroeconomic bases for EMU were excluded from discussions and issues were increasingly divided into sectors with working groups for

\textsuperscript{20} Created in 1974, while the Employment Committee was established in 1997.

\textsuperscript{21} In 1993, Jacques Delors’ cabinet had already withdrawn the reduction of working hours from the final version of the White Paper on Growth, Competitiveness, Employment, anticipating opposition from the ECOFIN Council and business groups; see: Ken Endo, The Presidency of the European Commission under Jacques Delors: The Politics of Shared Leadership, Basingstoke, Macmillan, 1999.

\textsuperscript{22} On this last point, see Isabelle Degnis, “The Politics behind Consensus: Tracing the Role of the Commission within the European Employment Strategy”, Journal of Contemporary European Research, 2 (1), 2007, pp 21-40.
the employment market and social protection indicators\textsuperscript{23}.

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International conductivity, structured transaction flows

The structuration of the Jobs Study-Jobs Strategy and the EES was therefore marked by the dominance of the economic sectors over the social sectors. Institutionally, the voluntarist register of “activation” and “structural reforms” allowed their developers – the Finance ministries and economic poles of the OECD and the EU – to extend their jurisdiction over employment and social protection systems (social security contributions, retirement, employment services, training and health) which up to then had generally been organised by the Employment ministries and social centres\textsuperscript{24}. This homologous dualist configuration affected transaction flows and the parties involved in that transaction. The fact that there now had to be an intersectorial exchange between economic and social sectors in the working committees of the OECD and the EU and in the national bureaucratic spheres helped to transform the sectors dominated by brokers who were considered compatible and by forced alliances. At the same time, in order to lessen the precariousness of their position in relation to the economic pole of their own organisation, the social sectors of the OECD, the EC and some governments intensified their intrasectorial flows.

**Corrosive intersectorial contacts: deterioration through exchange**

The follow-up of the Jobs Strategy at the OECD made agents from the economic poles – asked to defend their government’s results and initiatives on employment and unemployment as généralistes – omnipresent and dominant in an official capacity. The

\textsuperscript{23} This does not, however, stop ECFIN from interfering on this issue, see: Isabelle Bruno “La déroute du ‘benchmarking social’”, *Revue française de socio-économie*, 5 (1), 2010, pp 41-61.

\textsuperscript{24} In Germany and in France, this process culminated when the ministry of Economy became responsible for employment issues in 2002 and 2007 respectively. This shift was particularly apparent in Denmark from the early 1990s.
ministries of Economy and Finance, represented at a fairly high level\(^{25}\) and sometimes accompanied by high-ranking officials from the ministries of Employment, were assigned to defend their countries’ national political priorities, including those they did not fully support and which were harshly criticised by the members of ECO or the examining delegations. Examples include the reduction of working hours and the raising of the minimum wage in France, the Danish and Dutch “flexicurity” models and the Swedish “activation” model, which were considered expensive and inflationary. These generally heterodox lines of action struggled to incorporate the specifications of the “active social State” previously defined by the economic sectors of the OECD and reconfirmed by them year after year in the Jobs Strategy. Given that these were not strongly defended within the organisation, they never became more than mere subjects dealt with in working papers, particularly in DEELSA. The ubiquity of the economic sectors reflected the cognitive inertia of the Jobs Strategy on these issues. Faced with the barrage of “examiners” at the OECD, some unusual, temporary links formed between the ministry of Finance and the ministry of Employment delegations, as illustrated by this French example: “I found myself in a meeting chaired by Martine Aubry, in 1997 or 1998, in which the OECD Secretariat took up MEDEF’s position [Mouvement des entreprises de France – the largest employers’ federation in France]. And in a single day I found myself allied with [Jean-Philippe] Cotis, who was from the Forecasting Directorate [of the ministry of Economy-DP, and later chief economist of the OECD]. Cotis was a smarter man than his predecessor [Paul] Champsaur, the director general of INSEE [French national statistics bureau], because he tried to take into account the Employment ministry’s point of view. Champsaur, on the other hand, was a bulldozer: ‘I know the truth and the others are just a load of stupid idiots!’ Cotis had warned us, ‘The draft legislation on the reduction of working hours is going to get

\(^{25}\) The 21 members of the French delegation in the Review Committee of 18 November 1996 included the director and deputy director of the Forecasting Directorate, several heads of department from the ministry of Economy, the deputy director of the Budget, members of the Planning Commission and research directors of the Bank of France.
slammed, all the countries are going to say their piece.’ And so I found myself with people from the DP, including Jean-Luc Tavernier who I believe was Deputy Director of Economic Policy at the time, trying to defend the ‘reduction in working hours project’ as it was called, trying to make people understand that it wasn’t like the 1936 bombshell when the working week was fixed at 40 hours, that it was a mechanism with overtime, etc. And we faced extremely harsh words from people who were often experts in their own country but had no representative status in political terms. I remember the Danish representative, whose name escapes me. He was a professor from the University of Copenhagen, and he launched into an entirely unjustified criticism to the extent that even the Secretariat was embarrassed, including John Martin [director of DEELSA] and his colleague from economic policy. That was in 1997”.

“Taking the rap” together in reviews of this sort encouraged ad hoc interministerial alliances between delegates from ministries that were opposed to each other in the national sphere. The fact that social delegations rarely took part, as a result of this type of forced union, was another indication of the compartmentalised and contentious structure of intersectorial exchanges. The relationships that formed between economic and social ministries during review sessions did not prevent collusive transactions between social poles at the same time. Delegates from the ministry of Employment sometimes turned a blind eye to the assessments made of their countries by DEELSA members so as to avoid causing them any problems with ECO: “Our [the French delegation’s] tendency was to avoid being overly critical of the

26. A reference to Niels Thygesen, a Harvard graduate, president of the EDRC from 2000 to 2008 and professor of International Economics at the University of Copenhagen (1971-2004). His career path was marked by a movement around the national economic poles (treasury, central banks) as well as international (OECD, EU, IMF). He was a member of the Delors Committee for the Study of Economic and Monetary Union (1988-1989) and in 1998 co-founded a think tank specialised in European monetary and financial matters (European Shadow Financial Regulatory Committee), based on an American model.

social side, precisely because we had to support them in their internal arguments. But they had trouble getting into our stuff [the policy for reduction of working hours]. Even so, they were closer to us and understood our issue better than the ECO economists did.”

In particular, these review sessions provided information on the terms of the transaction and the cost borne by the social sectors in relation to the national and OECD economic sectors. While some delegates from the ministries of Employment tried their hand at negotiating at the OECD and “quickly caught on to the style” 29, their selection itself was a product of this asymmetrical relationship. “Speaking the language” of the economic sectors in order to defend “social” positions meant recruiting agents who were familiar with econometrics (generally developed on a neoclassical basis); in short, one had to transform in order to survive: “It is vital to be in collusion, because you have public sessions where you shout at each other but you also have bilateral discussions when your representative, in this case Alain Gubian, goes to talk to the other party and says ‘Listen, this sentence here…’ None of this is apparent in a public session. This fine-tuning used to be done by Alain Gubian and the Secretariat, John Martin and even the politicians at Château de la Muette [OECD headquarters]. That’s the pattern. (...) At DARES [Directorate of Research, Studies and Statistics of the French Ministry of Employment] Alain Gubian played a key role in drafting reports with the OECD and also with the Forecasting Directorate of the ministry of Economy. He’d had a similar education [ENSAE], he used the same macroeconomic language and he had a lot of experience in public finances, because that was his speciality at the OFCE [French Economic Observatory]. He gained people’s respect very quickly. That was an important part of it.”

In his role as mediator, Alain Gubian saw himself as the “economist who was acceptable to the outside”, even though he had initially failed to win the trust of his

29. Ibid.
30. Interview with C. Seibel, cited.
colleagues at the ministry of Employment, whom he claimed were incapable of venturing into the opponent’s court: “So I understood their thought process and I tried to criticise it from the fringes and to explain why we weren’t in tune with it. (...) You have to fit in with their model and say, ‘I share your assumptions and I agree with most of your reasoning; like you, we are also focusing on the cost of labour, but we are doing things differently in regard to the reductions in hours because we believe we must...’ (...) I was in a strong position because I had been selected precisely for that reason: as director of economic research, I was the economist who was acceptable to the outside. I wasn’t always accepted by my colleagues at DARES, at least at the beginning, but later on I gained their respect and attention. But my approach was definitely quite original, because traditionally people at the ministry of Employment were quite left-wing, maybe even a little Marxoid, and highly critical. (...) I was capable of negotiating at the OECD whereas I had colleagues at DARES who were against all that. And they weren’t capable of it. It was all bullshit to them. They couldn’t, and we didn’t send them”\textsuperscript{31}

Even the “social” sectors that were the most resistant to the OECD line, in this case represented by DARES, were forced to take part in the game being played in the economic poles by an outsider who controlled and imported the rules\textsuperscript{32}; whereas most members of the French ministry of Employment excluded themselves and refused to play a game they believed to be unplayable because it was a foregone conclusion. If they simply wished to be heard, people had to be able to speak the dominant discourse of the economic poles, which itself required a political orientation with which speakers must agree in practice, whether they liked it or not. The negotiators chosen to defend the national experiences that strayed from the recommendations were then more disposed to enter into a “dialogue” and to seek an “acceptable”

\textsuperscript{31}. Interview with A. Gubian, cited.

\textsuperscript{32}. On the controversial importation of “experimental” or “randomised” econometric methods at DARES during this period, see Étienne Penissat, “Quantifier l’effet ‘pur’ de l’action publique : entre luttes scientifiques et redéfinition des politiques d’emploi en France”, Sociologie et sociétés, 43 (2), 2011, pp 223-247.
compromise. Rather than going ahead with a conversion, a boycott or a possible exit from the game, which would be damaging to the reputation of both negotiators and delegations, and bearing in mind their weakness within the OECD, the social sectors that were least in tune developed strategies for referring issues to European committees considered more favourable at the time; simultaneously, social directorates of the OECD and the EC were intensifying their transaction flows in order to strengthen the informational framework of the EES.

**Horizontal alliance between dominated parties of the “social” sphere: DG Employment, DEELSA, social ministries**

When Karl-Johan Lönnroth, Director of Employment Strategy and the European Social Fund at the DG EMPL, stated in 1996 that “the OECD still had a fairly luke-warm attitude to social policies”, he was no doubt referring not so much to the part played by DEELSA as to the dominant role of ECO in the drafting of the Jobs Study and the follow-up of the Jobs Strategy, as well as the highly orthodox positions defended by the Secretary General of the OECD, Jean-Claude Paye, at the G7 Conference on Employment held in Lille the same year. As a result, there was a call for greater participation by the DG EMPL in the OECD Employment, Labour and Social Affairs

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33. In order to provide support for the establishment of the EES, the French ministry of Employment initially chose “operational policymakers” to be its high-level representatives in EMCO, (the employment delegate and the director of DARES); conversely, it left a head of division to act as its representative at the OECD.

34. A political science graduate of the University of Helsinki and the University of Wisconsin, as well as of the ENA [École nationale administration] (1983), Karl-Johan Lönnroth held a number of positions at the Finnish ministry of Employment from 1971 to 1991 (including missions to the OECD) and was director of the Employment department at the International Labour Organisation (ILO) from 1991 to 1996.

Committee (ELSAC)\textsuperscript{36}. The increase in transaction flows between DEELSA and the DG EMPL was decided in meetings, financed chiefly by the EC, on labour market and social protection statistics and indicators. For the DG EMPL, these recurring meetings were important “for the valuable contacts made with members of the OECD Secretariat outside of meetings and with representatives of the Member States”\textsuperscript{37}, in other words, for the social capital they allowed participants to acquire.

When the DG EMPL launched a series of studies on the quality of employment, the sectorial capital-labour substitution, employment potential in the cultural sectors and youth unemployment, DEELSA was consistently present, sharing its recognised expertise, particularly through its Social Expenditure Database (SOCX) and its new “employment protection legislation” (EPL) indicators. The DG EMPL reappropriated part of its informational capital in order to strengthen its analytical position in relation to DG ECFIN\textsuperscript{38} and the governments for the establishment of the EES, which was a major consumer of indicators and placed the DG EMPL in an asymmetrical position in relation to them. Initially, the DG EMPL gave the impression it was “recycling” DEELSA’s ideas and was analytically dependent on DEELSA. Once again, in order to play the intersectorial game against the DG ECFIN, this situation illustrates the DG EMPL’s accelerated “economic” transformation in its understanding of social and employment problems. Having traditionally stood out for its competence in “law/social sciences”, its defence of the “social” made increasing use of the register of economic efficiency and tended to neglect that of social justice, which was ineffective in the “economic” sectors.

A joint statement issued by the DG EMPL and DEELSA reiterated this rapprochement as an alliance against their respective economic directorates (DG ECFIN and ECO): “The

\textsuperscript{36} While Article 13 of the Convention on the OECD specifies that the Organisation of European Communities shall be represented in the work of the OECD, the intensity of the exchanges taking place between the two varies significantly according to the conditions and sector of activity.

\textsuperscript{37} Communication of the European Commission (CEC), October 1996, cited.

\textsuperscript{38} In the 1970s and 1980s, DEELSA single-handedly acquired this informational capacity in order to deal with ECO; the dominated party here did not have any choice over the terms or issues at stake.
central issue, enforced by both DG EMPL and DEELSA, would be to find ways of translating the work done on labour market reform into arguments that would convince macro-economic policy makers that a more growth-oriented policy is feasible”\(^{39}\). However, the construction of this cartel – or, more specifically, of this duopoly of international expertise on employment – did not erase the differences between the two organisations. Although DEELSA’s informational capital was appreciated, it was not meant to bind the DG EMPL and merited European conversion, as one of its members suggested: “Very frequently the OECD is called up to present its findings and we build upon that referring to those findings. But we feel that they are OECD work so they should also apply in Australia, New Zealand, Japan, USA that are in our view very different social settings. So we do not want to be compelled by these OECD analyses; we insist to translate this into the, in our view, more typically European social model. But we want to build on the strength of the OECD, not to be put in a situation of competition within the OECD. That we cannot do, even if we have, of course, our own expertise, on social issues based on the work of the EUROSTAT and a lot of investment in social indicators”\(^{40}\).

Each centre of expertise thus conformed to a configuration of homologous and specific relations – a function of the national employment and social protection systems represented and the organisational, informational and scholarly inertia of the services – that took into account the marginal differences in the Strategies negotiated in EU and OECD committees. The influence exerted by Germany in the former case


and of the United States in the latter guided macro-economic policy towards convergent monetarism (truly effective in Europe). Its working relations with the DG EMPL enabled DEELSA to strengthen its position in the OECD in relation to ECO, which was single-handedly overseeing the Jobs Strategy at a time that was particularly favourable given that the organisation's economic orthodoxy was being criticised by movements against the Multilateral Agreement on Investment followed by those in Seattle. Faced with exclusion, the fact that DEELSA had invested in the European forum allowed it to maintain or establish high-level contacts and present its studies on the growth of inequality, the feeling of social insecurity, a better balance between family life and work, and on coherent employment systems, which moved away from the deregulatory approach of governments with a social-democrat or social-liberal majority (“pink Europe”)\(^\text{41}\). With support from the latter, these analytical resources fed the resumption and development of the oxymoronic theme of “flexicurity” in the EU, to which DEELSA could subsequently lay claim in the OECD.

In 2003, a statement issued by the Labour ministers who attended a meeting at the OECD took up the Lisbon Strategy's slogan and key point of “More and Better Jobs”, confirming this network of intrasectorial and interorganisational consolidation. At the meeting, the first at this level for six years at the OECD, the ministers highlighted the need to “strike a balance between flexibility and security” and a “comprehensive strategy involving both supply- and demand-side action.”\(^\text{42}\). The Labour ministers demanded and obtained from the OECD Council a joint reassessment of the Jobs Strategy by ECO and DELSA and their respective working committee (EPC and ELSAC). In 2006, this reassessment – twelve years after the Jobs Study was published – resulted in a document developed by DELSA and to which ECO could only make a

\(^{41}\) Thirteen government coalitions out of fifteen in Europe were under these banners at the time.

\(^{42}\) Communiqué of Employment and Labour ministers, “Towards More and Better Jobs”, Paris, OECD, 29-30 September 2003. With their reference to “support to aggregate labour demand”, the authors played on a real ambiguity: for those on the outside, the term may have referred to Keynesian “global demand”, but it actually concerned the rise in employment rates and the quantity of jobs needed by companies, which was confirmed by the use of the word “inclusive”. 
limited contribution given that the Jobs Strategy required minimal revision\(^43\). The deregulation of the labour markets was not attacked directly. It was highlighted as an alternative that more costly options in the area of public spending existed in order to create employment and reduce inequality.

This bureaucratic breakthrough, in relative terms, provided further illustration of the intersectorial rivalries within the OECD and was a result of the relations maintained between DELSA and the DG EMPL in the context of the EES. It did not, however, stop ECO from simultaneously pursuing a more orthodox line through its new series Going for Growth, launched in 2005 and backed by the OECD Council. The structure of the balance of power was by no means overturned, but the OECD could now speak a more polyphonic language. During this period in the EU, while the theme of “Social Europe” was back in force in the referendum on the draft European Constitution and the so-called Bolkestein draft directive on services, pressure was building up against the social sectors with the arrival of President Barroso, the second Kok report, a swing towards a more liberal political power and the enlargement of the Union to include ten eastern European countries\(^44\). While “flexicurity” was still the focal point of discussions, taking on the symbolic role of reconciling opposites, the argumentative equilibrium moved a little closer to the “flexibility” of the labour markets without ever questioning the orthodox macroeconomic foundations of the EES. As for the European and national union and employers’ representatives (ambivalent towards the EES), they were limited to interpreting (rather than authoring) guidelines and programmes of action, in a position that was far removed from the Danish and Dutch experiences that were supposed to serve as a benchmark.

In 2005, the economic sectors regained control over employment and social protection


issues by merging the EGL with the BEPG in the “Integrated Guidelines”\textsuperscript{45}, and DG ECFIN, along with the EPC, launched a database for monitoring “labour market reforms” (LABREF) based on a very small number of highly aggregated indicators, much like ECO at the OECD. The triennial drafting of the “National Reform Programmes”, which replaced the NEAP, was chiefly carried out by the ministries of Economy, further weakening, as evidenced by the French and Danish cases, the analyses made by the social sectors (ministry of Labour and union representatives). Far from promoting professional job security, the coordination of counter-cyclical policies (fiscal, budgetary and monetary), increased european protection of the goods, services and labour markets or the regulation of the capital markets and European banking systems\textsuperscript{46}, the management of the 2008 financial crisis in Europe instead shifted towards restrictive economic policies, extending the previous programme of flexibilisation and wage austerity, leaning on aggressive CJEU case law and making support from Europe dependent on “programmes of economic and budgetary adjustment” overseen by the ECB, the Eurogroup and the IMF. The rhetoric and methods of the Washington consensus were now being applied to the EU Member States.

A relational analysis of these spheres thus calls into question the homogenised identities supported by (and through) the States, international organisations and “epistemic communities”, and provides an integrated, structural interpretation of international circulations and transactions. Judged in terms of its productivity, the homology of structuration condenses the essential information in order to understand the action and the differential influence of agents in these institutions, their ability to act and their defence of their position within structured and unstable relational spaces. It takes seriously and grasps the functioning of state processes of structural differentiation and the divided flows of informational, scholarly, social, bureaucratic

\textsuperscript{45} See online the box on Integrated Guidelines for Growth and Jobs (2005-2008).

\textsuperscript{46} Alternative lines of action defended in other bureaucratic, scholarly, political and journalistic spheres.
and political capitals. That division plays with the boundaries between “internal” and “external” and organises the action of associates-rivals by moving between ministries (economic/social) and departments of the OECD (ECO/DELSA) and the EC (DG ECFIN/DG EMPL) and their respective committees (EPC/Employment Committee).

This asymmetry between the “economic” and the “social” dimensions structures the development of the specifications of the “active social state” in the OECD and the EU, marked by a (neo)liberal economicisation of the social dimension and its paths of enforcement and transformation. Homology also allows us to identify the content of the collusion between these national and international institutions. A form of “horizontal” legitimisation plays out through action; it does not appear to be the least decisive for the routine operation of these institutions or for what is referred to as the “international system”, understood here in certain “regions”.

As is the case in the national bureaucratic fields, this type of exchange helps to (re)define and perpetuate the categories of action and (di)vision of the social world (“economic” vs “social”), and to establish reciprocal institutional acknowledgment; this is the final decisive element for understanding what makes “the intersectorial 'consolidation' of modern States as conglomerates of different autonomous sectors” as well as the appropriate inter or supranational organisations.

This investigation confirms the homologous functioning of the OECD and the EC in these areas. In that regard, the two institutions, dominated by the form of the conclave of national and international officials and experts, appear almost identical. The representative structures of the EU such as the European Parliament and trade

47. Aspects that have been overlooked by analyses made in terms of “multilevel governance”, “epistemic communities”, “coalitions of cause” and “networks of public action”.
48. This suggests certain avenues to explore for the prosopography of actors evolving in the spheres of eucrocracy and of European and international economic power.
union representatives, and even referendums, are marginalised or excluded from the process by which employment and unemployment policies are formalised. The functioning of these international circuits contributes to the deterritorialisation of the “social” sectors from their national institutional configuration, where the definition, causal imputation and solution to unemployment are issues for broader and more open political and scholarly struggle; it also involves them in an asymmetrical relationship with the “economic” sectors – with more homogeneous and integrated bureaucratic and informational resources on these questions – that transform them, circumvent them and indeed engulf them in return.


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