



**Organising for EU Enlargement**

A challenge for member states and candidate countries

**MANAGING EUROPE FROM HOME**  
Impact of the EU on Executive Government  
A Comparative Analysis

OEUE PHASE I  
Occasional Paper 0.1 – 09.03

Brigid Laffan

Dublin European Institute  
University College Dublin



FIFTH FRAMEWORK PROGRAMME



Dublin European Institute  
A Jean Monnet Centre of Excellence



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University College Dublin

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## **ORGANISING FOR EU ENLARGEMENT:**

### Challenge for the Member States and the Candidate Countries

The Dublin European Institute, University College Dublin,<sup>1</sup> was awarded, in 2001, a research contract under the EU's Fifth Framework Programme<sup>2</sup> to carry out a comparative study of the impact of the EU on the structures and processes of public policy in six small countries: **Ireland, Greece, Finland, Estonia, Hungary** and **Slovenia**. The Project's partnership, under the direction of Professor Brigid Laffan, Dublin European Institute, University College Dublin<sup>3</sup>, includes: Professor Dr. Wolfgang Drechsler, University of Tartu; Professor Teija Tiilkainen, University of Helsinki; Professor Calliope Spanou, University of Athens; Professor Attila Ágh, Budapest University of Economic Sciences and Public Administration; and Professor Danica Fink-Hafner, University of Ljubljana.

The aim of the research project was to deepen our understanding of the processes of Europeanisation in a number of the existing member states and some of the candidate states.

The research project encompassed the following three objectives:

- The conduct of research which offers immediate policy relevance to key stakeholders in the enlarging Union;
- The conduct comparative, theoretical and empirical research on the management of EU public policy making in three existing member states – Ireland, Greece and Finland – and three candidate states – Estonia, Hungary and Slovenia;
- The shedding light on the capacity of smaller states to adjust and to adapt to the increasing demands of Europeanisation on their systems of public policy-making and thus to identify the barriers to effective, efficient and accountable management of EU business.

### **Research Strategy**

The research design consisted of two phases and within each phase, two levels of analysis. **Phase I** analysed the management of EU business at the macro level of the core executive and was complemented by a micro case study of a recent policy negotiation using decision analysis. **Phase II** of the research broadened the analytical focus to encompass other levels of government – the EU and sub-state – through multi-levelled governance. Here attention was centred upon the emergence of policy networks and the interaction between public actors and the wider civil society in specific, discrete policy sectors.

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<sup>1</sup> National University of Ireland, Dublin (University College Dublin).

<sup>2</sup> European Commission, Community Research Fifth Framework Programme (Socio-Economic Research)

<sup>3</sup> This project forms part of the Governance Research Programme, Institute for the Study of Social Change, University College Dublin, [www.ucd.ie/issc/](http://www.ucd.ie/issc/) and [www.ucd.ie/govern/intex.htm](http://www.ucd.ie/govern/intex.htm).

### **Methodology**

The study employed two specific methodologies: historical institutionalism and rational institutionalism in a new and innovative fashion. The use of combined perspectives provided a theoretically innovative and new approach to the study of the Europeanisation process. Both approaches could be used as they were applied to different elements of the empirical research.

### **Academic and Policy Implications**

This study's findings provide insight into the manner in which diverse state traditions, institutions and political and administrative cultures influence national adaptation to EU governance and how the interface between national policy processes and the Brussels arena is managed. It is expected that these findings will assist those making and managing policy, thus facilitating adjustments to the changing European Union while also contributing to the growing academic debate on Europeanisation.

At various stages during the course of this project the research findings and analysis were presented to a range of stakeholders and academics to facilitate feedback and enhance the analytical process. Further details about the Organising for EU Enlargement (OEUE) project are available on the project web site [www.oeue.net](http://www.oeue.net), along with i) the Project Report, ii) the OEUE Occasional Papers and iii) a selection of papers by the research partners which draw on various aspects their project research.

## **AUTHOR**

### **Brigid Laffan**

Professor Brigid Laffan is the Director and Academic Co-ordinator for the European Commission funded Fifth Framework project *Organising for EU Enlargement – A challenge for member states and candidate countries*.

Since 1991, Brigid Laffan has been Jean Monnet Professor of European Politics at University College Dublin, where she is the Director of the Dublin European Institute. Her experience of EU public policy and the public sector stems from both academic research and an involvement with programmes run by the College of Europe in Brugge, the Dutch Clingendael Institute and the Institute of Public Administration, Dublin. In 2002 Professor Laffan was awarded the Government of Ireland Senior Fellowship in Humanities and Social Sciences.

Among Professor Laffan's recent publications are 'Auditing and Accountability in the European Union', *European Journal of Public Policy*, 10:5, 2003; with Diane Payne, 'The EU in the Domestic: INTERREG III and the Good Friday Institutions', *Irish Political Studies*, 17:1, 2002; 'Ireland: Modernisation via Europeanisation', in Wessels, W., A. Mauer and J. Mittag, *Fifteen into one? The European Union and its member states* (Manchester: Manchester University Press). *Organising for a Changing Europe: Irish Central Government and the European Union* (Dublin: The Policy Institute, Trinity College 2001); and *Europe's Experimental Union: Rethinking Integration* with Rory O'Donnell and Mike Smith (London: Routledge, 1999).



## **ABSTRACT**

The paper provides a comparative overview of the analysis of core executive adaptation to engagement with the European Union in six states, Ireland, Greece, Finland, Hungary, Slovenia, and Estonia, three member states and three states that join the Union in May 2004. To date the substantive focus of the literature on executive adaptation has been on the question of convergence or continuing divergence of national responses. The dominant conclusion points to the continuing divergence of national responses. The analytical framework that guided the empirical work was divided into two inter-related institutional components, structures and processes and the agents who actively engage with the EU's governance structures. The comparative analysis provides evidence of both convergence and continuing diversity. In managing Europe from Home, states appear to choose from a menu of possible models, prime ministerial or foreign ministry led systems. Two variables stand out in explaining variation across the six states, the level of institutionalisation and the relationship between formal and informal processes.



## INTRODUCTION

Participation in the governance structures of the EU adds an additional layer to domestic systems of policy making, alters the opportunity structure for national actors and carries with it pressures for domestic adaptation. All aspiring member states must learn to live with the Union. The dense institutional fabric of the EU and the intensity of policy integration embeds the member states in distinctive processes of transnational policy making. The boundary between the domestic and the international is blurred for political actors and governmental institutions. Following the collapse of communism in 1989, the post-socialist states quickly identified membership of the EU as a central foreign policy goal. They were left in no doubt that if they wished to join the Union, they had to take on the full obligations of membership, which meant that they had to develop the capacity to transpose and implement the so-called *acquis*, the term used to describe the body of European law and practice. Administrative and judicial capacity was added to the oft-stated political and economic conditions for membership. The European Commission in its formative 1997 'Agenda 2000' document, that provided the road map for how this enlargement would be managed, concluded that 'the applicant countries' administrative and judicial capacity is of crucial importance' and that it was 'important for the applicants' administrations to be modernised so that they can implement and enforce the *acquis*' (EU Commission, 1997, 60). The Union took far greater interest in the administrative capacity of the candidate states than it did in the past because adaptation to the demands of EU membership interacted and intersected with deep system transformation in these states and with processes of state building. Engagement with the EU was part of a number of transformations, transformation of their economic and political systems, transformation of their international position and in the case of Slovenia and Estonia, independence and state building.

Adaptation to membership and engagement with EU collective governance requires more than a once off adjustment. The demands of collective governance are continuous and unpredictable given the fluid and open character of the Union's agenda and the evolving nature of the EU as a polity. Moreover, in addition to sector specific demands, the member states pay attention to the constitutive features of the system and must track formal and informal changes to processes, procedures and institutional balances. National governments do their homework for individual negotiations, position their state in the Union and develop a policy on the future development of the EU. This implies an ability to scan their environment, to develop and maintain critical relationships with EU institutions and their partners in the Union. Engagement in collective governance does not mean a downgrading of national governments. Rather 'representing national interests and contributing to shaping the development of the EC requires more, rather than less of national governments' (Metcalfe 1993: 2). National executives exercise a pivotal linking role in the Union's system of collective governance.

The research presented in this OEUE series of Occasional Papers explores the Europeanisation of executive government in candidate states and in existing member states.<sup>4</sup> The objectives of the study were to (1) provide authoritative accounts of the impact of the EU on executive government in six states, (2) to identify patterns of adaptation to engagement with the Union and (3) to track change over time and (4) to identify the variables that enable us to explain and characterise the pattern of adaptation. The discussion is divided into five sections. Section one explores the literature on Europeanisation and executive adaptation. This is followed by three sections on the substantive findings of the research, namely the structures and roles associated with managing Europe, the processes that have evolved, and the officials or agents who are responsible for mediating between the national and the European. Section five discusses the variation and dynamic of change in the context of Europeanisation. The objective of this paper is to provide a comparative overview of the findings of the six case studies.

### **The Literature on Executive Adaptation**

During the 1990s, a growing body of research evolved on the theme of Europeanisation, a term deployed to connote the impact of the EU on the domestic.<sup>5</sup> The focus on the domestic impact of the EU was a reaction to the excessive concentration in the literature on processes of institution building at EU level. As the Union developed and deepened, the effects of Europeanisation were increasingly experienced in the domains of national policies, politics and more broadly in the domestic polities of the member states and candidate countries. Olsen identified five faces of Europeanisation, one of which is explored in this research, namely, the adaptation of 'national and sub-national systems of governance to a European political centre and European-wide norms'<sup>6</sup>(Olsen 2002). One of the earliest definitions of Europeanisation defined it as an 'incremental process re-orientating the direction and shape of politics to the degree that EC political and economic dynamics become part of the organisational logic of national politics and policy making' (Ladrech 1994: 69). This definition points to a process of internalisation or top-down pressure whereby the EU gradually permeates domestic processes and triggers adaptation at national level. The member states are not, however, passive recipients of EU policies and programmes. They actively participate in shaping outcomes in Brussels and mediate what comes from the EU through national political and administrative institutions and processes. Managing Europe from home is a key concern for all member states. Moreover, the processes

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<sup>4</sup> This six country study, *Organising for EU Enlargement*, was financed under the EU's Fifth Framework Research Programme. The financial support of the European Commission is acknowledged and appreciated. The study was coordinated by the Dublin European Institute, University College Dublin, and involved a research team in each state. I would like to thank Johan Olsen and Simon Bulmet for their helpful comments on an earlier draft of this paper.

<sup>5</sup> It is not intended in this paper to engage in a comprehensive discussion of the literature on Europeanisation. It is very diffuse literature and research agenda that attempts to address how Europe hits home in terms of national politics, policies and polities. For treatments of the topic see Borzel T. A. and Risse T. (2000); Knill C. and Lehmkuhl D. (1999); Knill C. (2001); Olsen J. (2002) and Radeilli (2000). During the 1990s there was an explosion of literature on Europeanisation. An internet search by Demmke (2002) threw up over 10,000 hits. This OEUE Phase I study presented in this series of Occasional Papers addresses a limited subset of the Europeanisation research agenda with its focus on the impact of the European Union on executive government.

<sup>6</sup> The four other faces of Europeanisation were; Europeanisation as a change in external territorial boundaries, Europeanisation as the development of institutions of governance at an EU level, Europeanisation as exporting forms of political organisation and governance beyond the European territory and Europeanisation as a political project (Olsen 2002).

associated with Europeanisation are not limited to the member states but embrace states that have strong ties of association with the EU, particularly the candidate states that are in pre-accession mode. National executives remain the key 'translator devices' between the European and the domestic (Genschel 2001: 98). They are at the nodal point between the national and the European, with a role in projecting the preferences of the member states in the Brussels arena (up-loading) and in acting as the conduit for the reception of EU laws, programmes and policies into the domestic (down-loading). Authoritative accounts of how national executives manage Europe contribute to the broader understanding of processes of Europeanisation. This study does not begin from a perspective of 'goodness of fit', one of the dominant approaches in the Europeanisation literature. 'Goodness of fit' is frequently used in studies of Europeanisation as the starting point of analysis (Börzel and Risse 2000; Héritier et al. 2001). The key argument is that if there is a mis-match between the demands of European policies and domestic arrangements, adaptation pressures on domestic institutions and administrative structures will emerge. The starting point of this analysis is that the executives in member states and would be member states must evolve structures and processes for managing Brussels because the EU is an additional arena of public policy making that must be serviced.

The substantive focus of the literature on the impact of the EU on executive government has been on the formal organisational changes that membership has brought and the manner in which national governments respond to engagement with the Union.<sup>7</sup> Underlying most of the comparative studies is the question of convergence or continuing divergence in national responses. Two OECD studies in the late 1990s suggested that a European Administrative Space and a Europeanised system of administrative law were emerging in the EU (OECD 1998; Cardona 1999). These findings have been challenged in other studies (Demmke 2002; Olsen 2003). The dominant conclusion found in the existing literature on executive adaptation points to the continuing diversity of domestic responses to EU engagement. Harmsen concluded his comparative analysis of France and the Netherlands as follows:

There is little evidence of the Europeanization of national administrations in the sense of convergence towards a common institutional model. National administrations are not coming to resemble one another, nor are they coming to resemble a sort of synthetic EU prototype. The administrations of the member states have, for the most part, retained their distinctive structures and operating procedures (Harmsen 1999: 81-62)

Page and Wouters concur with this when arguing that 'there is no strong reason to believe that this Europeanization necessarily brings with it any substantial change in the national administrative structure of member states (Page and Wouters 1995). This claim is further supported by the Bulmer and Burch study on the adaptation of UK central government to EU membership, which concluded that 'at the level of machinery, governmental structures and

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<sup>7</sup> The studies on executive adaptation to EU membership adopt an institutionalist perspective. Traditionally these studies consisted of empirically driven thick descriptions of formal governmental structures. In the 1990s the impact of the new institutionalism was felt with a growing number of studies adopting a historical institutionalist perspective.

procedure, the impact of Europe has been far less evident' (Bulmer and Burch 1998: 624). Although continuing diversity is the dominant finding, there are studies that point to 'a mixed pattern of similarity and difference' in the organisation of member state representations in Brussels (Kassim et al. 2001: 235). What is missing in most of the studies to date is identification of the variables that impact on the character of domestic adaptation. There is also limited work on the individual cadre, the officials, who operate as boundary managers or boundary spanners between the national and the European (Williams 2002: 103-123).

The discussion so far has been on the impact of the EU on executive government in the member states but what of the candidate states, all of whom have been subject to considerable conditionality in their search for EU membership (Dimitrova 2002; Grabbe 2001: 1013-1031; Burton and Fowler 2002). From the time the Commission began to take seriously the implementation of the single market package of legislation in the candidate states, the question of administrative and implementation capacity came to the surface and had by the Madrid European Council in 1996 become a formal condition for accession. Every year in its annual report on each candidate state and its global report, the Commission included a section on administrative capacity and reform. Each year it identified the improvements that had been made and the continuing gaps to be addressed. It used its financial resources, notably Phare, to provide support for institution building and developed a number of mechanisms such as twinning, peer review and evaluation to address issues relating to administrative capacity (Dimitrova 2002). The OECD, in conjunction with the Commission, launched the SIGMA programme designed to support improvement in governance and public management in Central and Eastern Europe. An important focus for the SIGMA programme was on the internationalisation of policy-making and the organisational options open to the candidate states for integrating the domestic and international aspects of policy making (OECD, 1996). Managing internationalisation and Europeanisation was not however, the only challenges facing the post-communist states. Establishing the centrality of the executive in the political system and overcoming the communist legacy of non-executive centres of power were major concerns during the transformation process (Goetz and Margetts 1999; Goetz and Wollmann 2001; Goetz 2001). Because of the importance of EU membership in the strategic calculations of the candidate states, we can expect that considerable effort went into establishing the structures and processes for servicing the EU system.

### **The Focus of the Study**

This study set out to analyse how central governments in six small states handle their engagement with the EU. The emphasis on small states was to provide a counterbalance to the extensive literature on large state adaptation in the Union.<sup>8</sup> The six states in the study included three member states, Ireland, Greece and Finland and three candidate states, Slovenia,

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<sup>8</sup> The Hanf and Soetendorp (1998) volume is the only work that analyses the adaptation of small states. The selection of the six cases with a mixture of existing member states that joined at different times and new member states enabled us to track change over time and to analyse the demands of the EU on national core executives. The body of EC law and the policy process of the Union have intensified since the mid-1980s. Thus managing Europe is a changing process for national core executives.

Hungary and Estonia. All of these states joined or will join the EU after its initial formative period and all with the exception of Finland, had or have per capita incomes well below the EU average. For five of these states, engagement with the EU was bound up with national projects of economic development and modernisation and for all six states membership of the Union was perceived as a major strategic goal. For the post-socialist states, membership of western organisations represented their 'return to Europe'.

The focus of the study was on executive government and within that on the core executive as the primary unit of analysis. In the 1990s, there was a renewed emphasis on research into the dynamics of core executive government and the manner in which executives were responding to the challenges of contemporary governance (Peters et al. 2000; Rhodes ed. 2000, vols 1 and 2). In all treatments of executive government in Europe, the transfer of policy competence to the EU and the participation of national actors in EU policy-making was identified as a major theme (Rhodes 2000; Wright and Hayward 2000). The standard definition of the core executive in the literature is:

All those organisations and structures which primarily serve to pull together and integrate central government policies, or act as final arbiters within the executive of conflicts between different elements of the government machine (Dunleavy and Rhodes 1990: 4)

This definition is overly structural and organisational. The core executive is more than a set of organisations and structures because of the centrality of political-governmental roles, notably, the prime minister, ministers and ministerial advisors and administrative roles, senior officials to its operation. The core executive lies at the interface between the political and administrative arenas involving a 'highly institutionalised set of relationships' (Smith 2000: 29). These relationships are mediated by constitutional provisions, processes of government formation and the organisation of central government. For the purposes of this study, the core executive was defined as all those organisations, structures and roles that served to integrate the work of governments in relation to Europe.

The theoretical and methodological approach of the study was institutionalist, an approach that dominates research on national adaptation to EU engagement given the focus on organisational and process adaptation<sup>9</sup> (Harmsen 1999; Bulmer and Burch 2001; Kassim et al. 2001). The study drew on a combination of historical institutionalism, on the one hand, and what Peters categorizes as empirical institutionalism, on the other (Peters, 1999). Two features of historical institutionalism as a research strategy were important. First, studies adopting a historical institutionalist perspective tend to focus on 'organizational and institutional configurations' rather than on a single organisational site (Pierson and Skocpol 2002: 693). The focus in this

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<sup>9</sup> The Bulmer and Burch analysis distinguishes between (a) formal institutional structures, (b) processes and procedures, (c) code and guidelines and (d) a cultural dimension (Bulmer and Burch 1998: 604). The analytical categories were changed and later work to include (a) the systemic level, (b) the organisational level, (c) the regulative level and (d) the procedural level (Bulmer and Burch 2001:72).

study was on the ecology of institutions, roles and processes associated with managing European business rather than one organisation. Second, historical institutionalism pays attention to institutional development and processes of change over time. Taking institutional evolution seriously required us to go beyond a snapshot to tracking change over time (Bulmer and Burch 2001). This enabled us to distinguish between endogenous and exogenous sources of change, the significance of path dependency and the importance of critical junctures in domestic adaptation. In order to map the emerging institutional configuration and the pattern of adaptation, the methodology consisted of 'soaking and poking' on the basis of a set of agreed dimensions across the six case studies (King, Keohane and Verba 1994: 38). Using analytical induction, the objective was to map and explain the pattern of national adaptation through time over a number of inter-related dimensions.

The analytical framework that guided the empirical work was divided into two inter-related institutional components, structures and processes, on the one hand, and the agents who actively engage in the EU's governance structures, on the other. The objective of the structural analysis was to map the organisations and roles associated with executive government and to identify the key structures and roles in the management of European affairs. Had EU business been absorbed into existing organisations or had it led to institutional innovation? Had it been absorbed into existing political roles or have new roles emerged? Was it possible to identify the key participants in the national core executives with regard to EU business? At the apex of executive government are the Prime Minister and Cabinet as the collective locus of political decision making. Beyond the key political office holders, the focus of the research was on the impact of the EU on key ministries, the Brussels' based permanent representations, and organisational devices such as committees or task forces that have been established to coordinate EU relate work. The objective of the process component was to analyse how the structures work in practice, how information was circulated in the domestic system, how EU affairs were codified and coordinated and how the executive engaged with their national parliaments on Europe. The third component of the research was to identify the emergence of an EU cadre, the boundary managers, in the domestic systems. Was there such a cadre? Where was it located and how had it developed? The three analytical categories, structures, processes and agents enabled us to identify the formal organisational and procedural devices that were deployed to manage EU affairs, to analyse the key relationships that govern the management of EU affairs in six states, to trace pressures for adaptation and to explore the relationship between the formal and informal components of the policy process.

## **I STRUCTURES AND ROLES**

The Europeanisation of national executives both in the member states and candidate states was uneven across ministries as the reach and depth of European public policy differed from one policy sector to another. Based on the empirical findings in the national case studies following the initial mapping of the core executive, a distinction emerged between the

- The Co-ordinators (the heart of the system);
- Inner-core;
- Outer circle.

The co-ordinators consisted of a number of designated governmental roles and supporting organisations with constitutional, political and administrative responsibilities relating to the management of domestic government and the co-ordination of public policy making on Europe. In all states, the co-ordinators consisted of the Prime Minister, the Cabinet, the Foreign Ministry, European ministers if they existed, the permanent representations and missions in Brussels, and new offices and committees established to manage EU matters. The Finnish President was also designated as part of the core because of his/her responsibilities for Finnish foreign policy. In the three member states, the Ministry for Finance and/or National Economy was part of the co-ordinating core. The role of the national Finance or National Economy ministries was less evident in the three candidate states but this will change after accession with the growing role of the Eco-Fin Council (Finance and Economics Ministers) in the EU system.

Within the heart of the national systems, a distinction was evident in the study between prime-ministerial led systems, on the one hand, and Foreign Ministry led systems, on the other. In three states, the management of EU business was led by offices located in the prime minister's office whereas in the three remaining states the Foreign Ministry had amassed and maintained the key responsibilities and resources.<sup>10</sup> The three states in the former category were Finland, Slovenia, and Estonia<sup>11</sup>, with Ireland, Greece and Hungary in the latter category. The states with a prime ministerial led system established special offices for the co-ordination of EU issues, whereas in the case of Foreign Ministry led systems, organisational change took place with the Foreign Ministries themselves. The pattern in most of the accession states was to create new offices with Hungary as an outlier. The predominance of prime ministerial led systems in the candidate states may be explained by two factors. First, the process of preparing for membership of the Union demanded such a significant effort in terms of transposing the body of European law that it had to be led from the heart of government. Second, by the time the candidate states were ready to join the Union, the EU could no longer be regarded as external policy. See Table 1.

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<sup>10</sup> In the existing member states, France, the UK and Finland are the only three states that located the key coordinating unit either in the PM's office or as a separate agency responsible to it. In contrast, most of the candidate states opted to locate their coordinating unit under the auspices of the PM.

<sup>11</sup> In the paper on Estonia, the system is categorised as a dual system with a substantial role played by the Foreign Ministry but it appears to be moving in the direction of a prime ministerial led system following the changes made in March 2003.

**Table 1: Core Management of EU affairs**

<b>Prime Ministry Led</b>	<b>Foreign Ministry Led</b>
Estonia (1996) <i>Office of European Integration</i>	Ireland <i>European Union Division</i>
Slovenia (1997) <i>Government Office for European Affairs</i>	Greece <i>General Secretariat for European Affairs</i>
Finland (2000) <i>Government Secretariat for EU Affairs</i>	Hungary <i>European Integration Secretariat (EIS)</i>

The three states that created new offices to manage EU business did so after an initial period when the Foreign Ministry had primary responsibility. The Estonian *Office of European Integration* was established in 1996 as a unit of the State Chancellery under the Prime Minister. The head of the office has direct access to the Prime Minister and a core staff of 15 civil servants. It is a small cohesive unit that acted as a catalyst for the transposition of the *acquis* into Estonian law and for preparing the Estonian public administration for membership. It developed into a 'centre of strategic planning and analysis' (Viks 2002: 22). In other words, it was responsible for down loading EU policies into the domestic. Although centrally involved in the accession negotiations, this office did not lead them. In December 1997, Slovenia abolished the *Office for European Affairs* that was part of the Foreign Ministry and created the *Government Office for European Affairs* as a dedicated office to act as the central coordinating unit for handling European business. This represented a shift from 'foreign affairs' to a systemic internalisation of European public policies. The office was placed under the responsibility of a minister without portfolio, who later became Slovenia's chief negotiator with the Union. The office began with 17 staff but expanded to 117 employees within four years. In other words, it amassed considerable human capital and EU related experience in a short time and was the focal point for the projection of Slovene preferences in the EU system and for preparing the domestic system for membership. In the period leading up to Finnish membership in 1995 and for the first five years of membership, responsibility for EU matters remained with the Foreign Ministry but were moved to the Prime Minister's Office with the creation of the *Government Secretariat for EU affairs* with a staff of 20 officials under the auspices of a Secretary of State for EU affairs. This was part of a deeper strengthening of the Prime Minister's role in Finland as the political reach of the Finnish President was progressively narrowed. The decision to locate responsibility in the PM's office signalled an internalisation or domestication of EU affairs and the growing role of prime ministers in the EU system. In the case of the two candidate states, the special offices were given the primary responsibility for driving internal preparations for membership, notably the adaptation of the *acquis* and the use of EU monies. The offices in Estonia and Finland are small units, not unlike the *European Secretariat* in the UK Cabinet Office whereas the Slovene office has many more staff.

Unlike Estonia and Slovenia, the Foreign Ministry occupied the central role in Hungarian management of the accession process from the outset. Within the Foreign Ministry, the *European Integration Secretariat (EIS)* headed by a state secretary with a staff of over 200 in five departments was given responsibility for day to day management and the co-ordination of EU issues. The staff in the EIS has been remarkably stable which contributed to the emergence of a highly professional cadre of officials and diplomats who have been dealing with EU matters for many years.

Regardless of institutional structures, the relationship between the prime minister, foreign minister and European minister, if the latter exists, and between their respective ministries appears crucial to the domestic management of EU affairs and to the projection of national preferences in the European arena in all states. These roles and related ministries and offices combine an over-arching view of the EU and the domestic system. Even in countries with Foreign Ministry led systems, the role of the Prime Minister in European affairs has increased. Foreign Ministries and PM's offices must work together to project the member state/candidate state in the EU system. The relationship between those holding the offices and their supporting ministries is usually complementary but tensions can and do arise. Foreign ministries are conditioned to translate the demands and constraints of the European system into the national systems whereas the focus of the Prime Minister's office is more domestic. Prime Ministers' offices are better placed than foreign ministries to mediate with powerful domestic ministries. That said, both Foreign Ministries and Prime Minister's Offices want to play the political game in Brussels and to limit conflict and controversy between the national and the European.

All Prime Ministers in Europe have a responsibility for positioning their state in the European system, for engaging in intensive bilateral relations with their partners, for strategic policy-making, conflict resolution and the management of broad Government policy. The role and authority of the office allows the Prime Minister or office to intervene at any stage in EU matters. The manner in which a particular Prime Minister exercises his/her role on Europe depends on constitutional provisions, government formation, the role of the Prime Minister's office, longevity in office and the personal preferences of the office holder. Selective activism is the most apposite description of Prime Ministerial engagement with Europe because Europe is only one of many items on their agenda. The level and nature of their engagement is driven by the EU calendar, the holding of the EU presidency, the sensitive dossiers, European issues of major domestic interest and contentious cross-sectoral issues.

The national case studies highlight the growing role of the PM in all states but the character of prime ministerial engagement differs from one country to another. The prime minister is a 'primus solus' in the Greek system, a fact that is strengthened by single party governments since 1974. During the formative years of Greek membership, Andreas Papandreou (PM 1981-89 and 1993-95) adopted a highly centralised and personalised political style. Executive institutions, notably the Cabinet and its sub-committees did not function on a systematic or regular basis. The Greek national report concluded that:

The inactivity or lack of institutional, collective decision-making, though an ever present characteristic of Greek political-administrative system, became the striking feature of the Papandreou governments of the 1980s. The cabinet seldom met and decisions would be taken by the prime minister and his close collaborators and then presented to the other members of the cabinet (Spanou and Andreou 2002: p. 33)

When Prime Minister Simitis came to power in 1995, he favoured a decentralised political style and encouraged the systemic operation of the Government's collegiate organs such as the cabinet and sub-committees. The most important contribution made by Prime Minister Simitis was to create a pro-European political framework for the Greek system to work within. His prioritisation of European issues, although clear, was not reflected in new institutional mechanisms.

The role of the Finnish and Irish Prime Ministers are governed by domestic systems that are more institutionalised and formal. Constitutional change, which began in Finland in the 1980s, gradually transformed the Finnish system from a semi-presidential to a semi-prime ministerial one. Power was gradually transferred from the Presidency to the Prime Minister. The new constitution and the transfer of EU responsibility to the Prime Minister's Office endowed the Prime Minister's Office with a central role in European policy making. This was enhanced by the multi-party character of Finnish Governments and the multiple assignment of ministers to different ministries. In 2002, the Foreign Ministry had 4.5 ministers attached to it, all with equal status. The Irish Prime Minister is a 'primus inter pares' in a well established and institutionalised cabinet system. As leader of the Government, the Prime Minister plays an important role in all of the major issues. The position of leader of the largest party and executive dominance over parliament endows the Prime Minister with considerable political authority.

Among the three candidate states, the Slovene Prime Minister, Janez Drovsek, who was prime minister from 1992-2002, has had the most significant European role because of his longevity in office. He did not interfere in the day to day management of EU affairs but focused on key strategic issues, inter-ministerial conflict resolution and developing good relations with his counterparts in other states. The minister for Europe, without portfolio, in charge of the accession negotiations and the *Government Office for European Affairs* was Mr. Europe in Slovenia. Estonia has had six governments and five prime ministers since 1992 with the result that it has been difficult for any one prime minister to have a decisive impact on European affairs. However the authority of the office and the salience of EU affairs meant that each prime minister engaged in European issues. Hungary had four prime ministers since 1990 although the Government of Victor Orban (1998-2002) had primary responsibility for the conduct of accession negotiations. He adopted a hands off approach to European Affairs and it was his Foreign minister, Janos Martonyi, who acted as 'Mr. Hungary' in Brussels and 'Mr. Europe' at home. The change of Government in May 2002 led to the re-establishment of a European Integration Cabinet (EIC) chaired by the new prime minister. This signals an enhanced role for

the Prime Minister in Hungary although the Foreign Ministry remains the primary locus of EU expertise.

Beyond the key co-ordinators in the domestic systems, the distinction between the inner core and the outer circle related to the degree of Europeanisation in a particular policy domain. Those ministries with responsibility for areas of EU policy that were highly Europeanised formed an inner core with the outer core consisting of those ministries with limited EU responsibilities. Some ministries in the inner core had a major sectoral responsibility whereas others had multiple sectors to manage. The ministries most typically found in the inner core were Agriculture, Justice/Interior, Environment, Trade and Industry. All of these ministries exercise an influential role on domestic European policy because of their sectoral responsibilities. All have an important role in internalising European policies and in mediating between their clients and Europe. Their interests and focus are primarily sectoral or cross-sectoral. In all states they are largely left to deal with the technical details of their policy areas but are drawn into more substantive European deliberations on large package deal negotiations, notably the EU budget and if negotiations in their areas become politicised. Ministries with little EU engagement form the outer circle.

### **Inter-Ministerial Structures**

The nature of European governance necessitated the creation of inter-ministerial structures to manage cross-cutting issues and to act as a counterbalance to the fragmentation of domestic public policy making arising from the network character of the Union. There was considerable convergence of inter-ministerial structures for the management of EU affairs in the member states and candidate states, with the exception of Greece. Horizontal inter-ministerial structures included the Cabinet, cabinet sub-committees, high level inter-ministerial committees of senior officials, the permanent representations in Brussels and committees dealing with a broad range of cross- sectoral issues have emerged in all states, apart from Greece. Inter-ministerial structures were highly formalised in Finland. A set of designated structures that reached from the apex of the system at political level to the operating core of the ministries has evolved. The aim was to ensure that all European issues were comprehensively dealt with at the appropriate level of the hierarchy and with the involvement of the national parliament and civil society. The Irish system was much more weakly institutionalised but became more formalised in the latter half of the 1990s and especially following the defeat of the Nice referendum in 2001. A stable inter-ministerial system that cascaded down from the Cabinet was institutionalised. There are however far fewer inter-ministerial groups in Ireland (4) than in Finland (40) and they meet with less regularity. The Finnish system works to a weekly rhythm whereas the Irish system works to a monthly timetable. Greece had the most weakly institutionalised horizontal system among the member states. An informal inter-ministerial committee under the auspices of the Foreign Ministry meets informally once a month but there is no corresponding ministerial committee or policy groups. See Table 2.

**Table 2: Summary of structures for managing EU affairs**

	Ireland	Greece	Finland	Hungary	Slovenia	Estonia
PM Office Special EU Secretariat/Office	No	No	Yes	No	Yes	Yes
PM Office Special EU/International Unit	Yes	No	No	No	No	No
EU Cabinet Sub- Committee	Yes	No	Yes	Yes (2002)	Yes	Yes
High Level Inter- ministerial Committee	Yes	No	Yes	Yes	Yes	Yes

Evolving relations between the Union and the candidate states moulded the systems that have emerged in the three applicant states (Lippert et al. 2001: 980-1012). As the intensity of engagement with the Union accelerated in the 1990s, the candidate states had to devote more attention and resources to the Union. The candidate states had three primary goals in relation to Europe, namely, the successful negotiation of an accession treaty with the EU, the translation of EC law and the wider *acquis* into the national systems to enable them to conclude their negotiations and the spending of EU budgetary resources. These goals fell under the rubric of accession management. All three states established structures to enable them to manage accession. The locus of accession management in Slovenia was in the special EU Office and in Hungary the Foreign Ministry played the central role. In Estonia, accession management was shared between the PM's office and the Foreign Ministry. All three states established committees to deal with the negotiating chapters and all created a high level inter-ministerial committee on European issues. The structures established to manage accession will form the basis of the post-accession management of EU affairs following the successful conclusion of accession negotiations in December 2002.

### **The Missions in Brussels**

Managing Europe from home involves the permanent representations or EU missions in Brussels. The representations and missions, as a microcosm of the national administrations, play a central role in all six states. There remains an important distinction between the three member states and the candidate states as the latter are still in pre-accession mode and are only preparing for the transition to full membership in May 2004. The three member state representations bring the style of domestic management to Brussels. They differ in terms of their size, staffing, internal functioning and overall role in the national management of EU

affairs. In 2000, Greece had the largest representation of the three states with 60 staff at diplomatic level, followed by Finland with 54 and Ireland with 35 (Vachers 2000). The size of the Greek and Finnish representations was partly due to distance from Brussels but also reflected attributes of the domestic system. The Greek representation was very hierarchical and centralised whereas the other two representations were much more collegiate in style. The Finnish representation was infused with the norm of representing the Finnish position and not just the positions of their ministries. This was also true of the Irish case although strong loyalties remain to the domestic ministries. The Greek representation, in contrast, was characterised by inter-ministerial competition, between the horizontal ministries (Foreign Ministry and Ministry of the National Economy) and the sectoral ministries, on the one hand, and between the two horizontal ministries themselves. Competition, rivalry, and mutual suspicion characterised inter-ministerial relations.

Relations between the national capitals and the representations differed significantly. The Finnish representation was an extension of a well-oiled domestic machinery for managing EU affairs. The Permanent Representative returned to Helsinki once a week and there are very fluid and cooperative relations between the capital and Brussels. Instructions sent from Helsinki were the product of a highly deliberative system involving inter-departmental and executive-parliamentary engagement. The Irish system was less formalised, although the current Permanent Representative returned to Dublin more frequently than her predecessors and has excellent relations with the domestic political and administrative systems. The Permanent Representative and her deputy were briefed by the appropriate attachés in the representation who are responsible for getting instructions and briefing material from Dublin. The new Permanent Representative initiated collegiate meetings in the representation to ensure that there was a sharing of information of what was happening across the range of the negotiations and to identify ice-bergs, i.e. potentially difficult or sensitive issues. There was a high level of trust between the domestic administration and the representation. The Greek representation had to work within the framework of a domestic system that does not give adequate attention to EU issues, especially in the sectoral ministries. Domestic preparation was frequently insufficient which led in turn to last minute decisions. In many cases, the officers of the permanent representation were on their own and had to improvise. Individual attachés resort to making direct contact with the national minister to gauge how much political latitude he might have in the negotiations. The Greek Permanent Representation is an arena of last resort for the domestic administration whereas the other two representations are an extension of the domestic structures and processes for managing European issues.

The offices of the three candidate states were not yet formal representations but missions to the EU and will only be renamed following accession in May 2004. The 'missions' played a crucial role in the accession negotiations. The Head of the Hungarian EU-Mission was the Chief Negotiator whereas the Chief Negotiators for the other two states came from the national capitals. All three missions are beginning to assume the character of full representations in that their staff are drawn from the Foreign Ministries and the domestic ministries. Hungary has the

largest mission with 21 diplomats, Slovenia 12 and Estonia 20. All three missions will have to expand considerably to take on the demands of full membership.

The role of the missions is to act as a focal point between the EU and the national administrations. They are the channel of communication between the EU institutions, particularly the Commission and the national capitals. The role of the missions goes well beyond a 'mail box' role. They have to deliver all relevant information required by the Commission and must maintain close relations with Commission officials. Following membership, the focus of attention will move to the Council as all three states will be full participants in Council negotiations. The missions must keep the national capitals informed of all developments that may impact on accession and must support the politicians and officials from the national capitals who come to Brussels. All three missions work as small cohesive organisations focused on the goal of accession. This must change following accession.

## **II PROCESSES**

The key structures, the ministries, the Cabinet and committees serve to channel work on Europe in the national administrations. The tempo of work on European issues is driven by the EU calendar and the collective agenda. Domestic processes are designed to cope with the different phases of the negotiating process. Here there is a sharp distinction between the three member states and candidate countries. The former engage with the EU on a multilateral cross-council basis whereas negotiations with the latter are funnelled through the accession apparatus. Following the signing of the accession treaties, representatives of the new member states attend all meetings but without the full rights of membership until May 2004. The candidate states face the challenge of adapting to participation as a member state in the Council system. The domestic processes identified in the case studies were governed by a mixture of formal rules and guidelines and informal conventions that have evolved over time. Of the three member states, Finland had the most elaborate set of rules and guidelines for the management of EU matters. The preparation of EU business was defined in section 93(2) of the Constitution and supplemented by Government standing orders. The EU Secretariat in the Prime Minister's Office has formal responsibility for the preparation of procedural rules and guidelines for handling EU matters and does so on a periodic basis. The use of rules, codes and guidelines in Ireland was less systematic but has gradually increased. The submission on EU related business to Cabinet is governed by Cabinet rules and there is a Foreign Ministry circular about how EU matters should be handled dating from September 1973. The development of new guidelines on parliamentary scrutiny in 2002 was the most significant formalisation of EU business in the history of Ireland's engagement with the EU. Greece combined a highly legalistic administrative culture with a dominance of informal channels and norms. In Greece formal rules and guidelines do not appear to exist, at least in any systematic way. The EU management system operated in a decentralised even fragmented manner around minimal obligations for information and coordination.

National policy styles differ in terms of their ambition and ability to coordinate and manage the interaction with Brussels. Co-ordination is perceived by scholars and practitioners alike as important to effective involvement in Brussels (Kassim et al. 2001). A report on the Dutch system of EU coordination cited the need for the management of horizontal and vertical interdependence, close co-operation between those working on national and European policies, 'speaking with one voice', and 'getting in early' in the negotiations, ensuring consistency, exchanging information and working within defined priorities and accepted policy principles (Schout 1999). This view of coordination was an ambitious and demanding one with its focus on coherence, consistency and clear priorities. The challenge for all states was to find an effective balance between sectoral autonomy and an overall strategy/prioritisation. Not all issues on the EU agenda demand the highest levels of coordination, and heavy-handed co-ordination at national level may militate against effectiveness in the Brussels arena.

The need for coordination depends on the nature of the issue on the Brussels agenda. A four-fold distinction between routine policy making, cross-sectoral issues, major policy shaping negotiations and the 'big bargains' is apposite. Ministries manage the routine sectoral issues without need for consultation and co-ordination. Coordination is required for issues such as state aids, environment and competition policy that cross ministerial boundaries. The major policy shaping decisions that influence the trajectory of a particular policy domain also require an inter-ministerial perspective as they may have a bearing on other areas of policy. Finally the big bargains such as treaty change or enlargement require inter-ministerial discussion and coordination. Managing the flow of EU negotiations is not just about a series of discrete policy decisions but involves making linkages and establishing priorities across different fields. Coordination of European affairs demands an ability to coordinate issues as well as the Union's policy cycle with its continuous flow of meetings. Coordination of European issues is linked to prioritisation. Given the limits of size and political capital in the Union, small states tend to prioritise. All small states devote considerable attention to those areas that are seen as a priority in domestic terms, but differ in the extent to which they are able to contribute to policy shaping beyond their core interests.

Coordination can be achieved by a variety of processes, notably, centralisation, formalisation and socialisation (Bartlett and Ghoshal 1989). The Finnish system had a high level of ambition when it came to coordination and achieved this through formalised processes, which were married to an ease of informal personal contact throughout the system. The Irish coordination ambition was high in selective areas but moderate in most other areas. The Irish system was characterised by a combination of selective centralisation on key issues, norms of consultation and working as a team and the potential for greater formalisation with the new parliamentary procedures. The Greek coordination ambition was low and the institutional capacity to deliver coordination weak. Key issues were pushed up the political hierarchy and handled by a small number of political appointees and ministers. The coordination systems in the three candidate states are still in the process of development. Slovenia has the highest level of ambition backed up by highly institutionalised processes and procedures. The Estonian system combined

formalisation, decentralisation and an ease of personal contact within the system. The Hungarian system was largely centred around the European Integration Secretariat in the Foreign Ministry where the preponderance of human resources on Europe can be found. See Table 3.

**Table 3 Co-ordination Styles**

Ireland	Socialisation but growing formalisation
Greece	Very Selective Centralism/Socialisation
Finland	Formalisation
Slovenia	Formalisation
Hungary	Centralised
Estonia	Decentralisation/socialisation

### **III AGENTS**

Managing EU engagement has become an important specialism within national diplomatic services and in the home civil services. In order to live with the Brussels system, states need a cadre of EU specialists who can combine technical/sectoral expertise with European experience (Bulmer and Burch, 2000). European experience and ability rests on deep knowledge of how the EU system works, its legal foundations and rules, and the personal skills to work in the multi-national and multi-lingual EU environment. The EU cadre work as boundary managers between the national and the European. They can be found in the coordinating ministries and in the inner core of ministries that have intensive dealings with the EU. The majority of them work at the operating level, i.e. those who attend working parties, but the cadre also included a number of key officials at the apex of the ministries. The cadre gained their initial EU experience at working party level and may later find themselves at more senior levels with substantial European responsibilities. The most experienced of them spend time in the Representation, or in one of the institutions. Extensive exposure to Brussels brought the added bonus of contacts with counterparts in other member states. The EU cadre was small in number. In the Irish case for example, an internal report estimated that only 12% of the total pool of Irish civil servants had significant EU involvement in 1980. A follow-up report in 2002 found that there were only three ministries, Foreign Affairs, Industry, Trade and Employment and Agriculture that had over 50 staff working on EU matters for over 50% of their time. In many ministries, the number was five or less (Laffan and O'Mahony 2002: 92). There was an intimacy among the cadre of the smaller states not found in the larger member states.

Among the three member state there were striking differences concerning the composition of the cadre and the level of responsibility accorded to the operating core the ministries. In Ireland and Finland, the desk official or middle level civil servant had a major say on the elaboration of

the Irish or Finnish position. Civil servants in both systems operated within a homogenous administrative culture. The Finnish civil servant worked within the institutionalised system of coordination (the sections) whereas the Irish civil servant engaged in consultation and coordination on a needs basis. Both systems tried to solve difficult issues at the lowest level of the hierarchy. Dossiers were only sent up to the political level if there were major resource or policy issues at stake. Sensitive political issues were processed at the highest levels in the hierarchy. In contrast, a striking characteristic of the Greek cadre was the reliance on non-civil servants, i.e. political appointees, in key positions in the system. The resort to non-civil servants was institutionalised in the Council of Economic Experts (SOE) in 1987. The SOE played a central role in economic governance and was highly regarded within the Greek system. One interviewee concluded that 'the idea of the Council of Economic Experts, e.g. High quality staff from the market (not from the civil service) is good and needs to be supported' (Spanou and Andreou 2002). Civil servants saw this as a successful way of dealing with insufficient expertise within the administrative system. The expertise of the mainstream civil service remained weak. The lack of competence in many sectoral areas meant that issues are driven up the administrative and political hierarchy for resolution.

The EU cadre in the three candidate states developed from the process of negotiating Europe Agreements, implementing EU funding programmes and accession management. In all three states, a distinctive cadre of EU specialists who have developed a proficiency to manage EU business has emerged. The prioritisation of European for all three states led to the investment of human resources in managing EU engagement. All three candidate state case studies concluded, however, that there was an 'EU personnel deficit' with the prospect of full membership looming. All states will have to expand their permanent representations and all will lose staff to the EU institutions. The Estonian report concluded that the layer of EU specialists was rather thin. According to the report 'Often when a good professional leaves, he or she cannot be replaced immediately with a person with the same level of competency (Kompus, Kallas and Saarniit 2002: 88) The Hungarian Report identified a duality in the Hungarian system between the EU cadre and the rest of the administrative system. According to the report 'a small professional team emerged in the nineties and became more and more separated from the non-EU administration in many ways' (Ágh 2002: 33) The emergence of 'islands of excellence' around EU accession institutions has been documented (e.g. Goetz 2001). The widening and deepening of EU expertise and these 'islands of excellence' in the three candidate states is a major challenge in the lead-up to membership.

## **EUROPEANISATION, VARIATION AND THE DYNAMIC OF CHANGE**

National executives in Europe both in the member states and candidate states have internalised the demands of engagement with the European Union. All six states have displayed an ability to adapt and adjust domestic structures and processes to the demands of engagement with the EU. The process of adjustment was considerably less demanding on the existing three member

states than on the candidate states because of the high level of conditionality associated with their bid for membership. The priority attached to accession ensured that political and administrative resources were channelled into preparing for EU engagement. Responding to the demands of the EU became part of the wider transition processes. Their preparations were monitored much more systematically than in past enlargements and there was considerable outside engagement in designing their structures and processes. Twinning with other administrations, Phare programmes and SIGMA contributed to the domestic deliberations on structures. The UK and Finnish models of managing EU coordination from the Prime Ministers' Offices were influential in Estonia and Slovenia. In the post accession period, all three states will struggle to ensure that that European expertise is distributed more widely in the domestic system and that the domestic system can engage with the Union on a multilateral basis in the Council. The adaptation pressures generated by the need to service the Brussels based system appear low or moderate in the existing member states. In the three new member states, the demands of the Brussels system interacted with the wider process of domestic transformation. Administrative conditionality and the prioritisation of EU membership had an impact on the political and administrative resources that were devoted to managing Europe.

There is evidence in the study of both convergence across the six states and continuing diversity. There is convergence of structural mechanisms for dealing with Europe, notably EU units, high level inter-ministerial committees, and sectoral policy groups but continuing diversity in terms of the underlying national styles of managing internationalisation. In managing Europe from home, states appear to choose from a menu of possible models. The two dominant models are prime ministerial or foreign ministry led systems. Three states in the study created new offices or secretariats to manage EU affairs under the auspices of the Prime Minister. All states, apart from Greece, institutionalised cabinet sub-committees, inter-ministerial high-level groupings and policy committees. The Brussels based representation is a central node in domestic management of EU affairs in all states. Furthermore all six states established parliamentary committees dealing with Europe. Convergence of structures has not led to a convergence of national styles and processes for managing European affairs. There are significant differences concerning the politico-administrative interface, the number of officials assigned to managing the EU/national interface, the role of individual civil servants, the range and membership of cross-sectoral policy committees, the regularity of meetings and the engagement of national parliaments and societal groups in moulding domestic policy. It is thus apposite to draw a distinction between the instrumentalities for managing the EU-domestic interface where we see convergence and the underlying political and administrative core of the national systems that are characterised by continuing divergence (Knill 2001: 35-57).

Notwithstanding the country specific nature of the structures and processes identified in the six case studies that follow, two variables stand out in explaining variation across the six states. These were:

- the degree of institutionalisation;
- the relationship between the formal and informal processes.

Institutionalisation is a multifaceted concept that implies structuration, routinisation, the development of standard operating procedures and shared codes of meaning (Olsen 2000: 4-5). The degree of structuration and routinisation of EU business differs markedly across the member states in this study. Some states have highly institutionalised and regularised systems for managing EU business whereas other systems are weakly institutionalised and less stable. A high degree of institutionalisation was characterised by the presence of a pyramid of structures and related processes through which EU business was channelled. The structures mattered for the way in which EU affairs was dealt with. The degree of institutionalisation can be plotted along a continuum from highly institutionalised to weakly institutionalised. The three existing member states represent a continuum from highly institutionalised (Finland), to weakly institutionalised (Greece) with Ireland at a mid-point between the two. The Irish system was characterised by a shift towards deeper institutionalisation. The pattern for the three candidate states was less evident given the accession process. Slovenia is attempting to approach the Finnish level of institutionalisation. Its system has institutionalised vertical and horizontal processes to channel European issues in the domestic system. Estonia also has well-established processes but given Estonia's size, they are less comprehensive than the Slovene ones. The Estonian system is not unlike the Irish system prior to the Nice referendum in 2001. In Hungary, EU expertise is centralised in the Foreign Ministry's EIS.

A second key variable that emerges from the analysis was the relationship between formal structures and processes and the informal within the national policy style. As would be expected in states with small administrations, informal contact between the EU cadre was evident in all six states. A relatively small number of political office holders and civil servants were the key players in relation to Europe. The cadre have shared expectations and norms and are aware of the limits of their power in the EU system. However, the relationship between the formal processes/structures and the informal differed. In states where there was a high degree of institutionalisation, the informal was subordinate to the formal processes, whereas in systems that were weakly institutionalised, the informal was more important for policy outcomes than the formal structures. Greece was the outlier in the project. Informal links and political channels were the key to understanding the 'living system'. In response to administrative problems or blockages, the solution in Greece was to appoint a person to tackle the problem rather than address administrative blockages and deficits. Agents were more important than structure and informal channels more important than the formal. Individuals were also important in the three candidate states given the nature of the challenge presented by the EU and the need to amass a sufficient number of civil servants with EU knowledge.

Although variation across the six states in the study can be mapped on the basis of these variables, the degree of institutionalisation, the relationship between the formal and informal and the co-ordination ambition are deeply rooted in national styles. Ireland's adaptive system, that responds on an incremental basis to changes in Europe, is based on a cohesive civil service, collective responsibility and a policy system dominated by the executive. This allowed a small number of key officials and political office holders to manage Ireland's relations with Europe.

The failure of the Nice referendum in 2001 was a shock to this executive dominated system. The Greek system, characterised by centralisation and inter-ministerial rivalry, is dominated by individual politicians and political appointees who are drawn into the system to alleviate administrative weaknesses. Issues are pushed up the hierarchy from the administrative to the political level because the desk official in many cases does not have the competence or authority to manage the dossier. Finland's deliberative, transparent and well-organised system for managing Europe is rooted in a strong state and a polity that accords a key role to parliament and partnership with interest organisations. The systems in the three new member states remain unsettled but the characteristics of the national style for managing Europe are emerging. In a relatively short time-frame, successive Slovene governments evolved a relatively transparent and formalised system for managing interaction with Brussels. The role of the Slovene parliament is much stronger than found in any other new member states. Institution-building was accompanied by systematic training of an EU cadre. Estonia, because of its relatively small size, is less formalised than the Slovene system. A small EU cadre operates within with a decentralised system that is held together by the Government Office for European Affairs. The Hungarian system is dominated by the Foreign Service where the majority of the EU cadre is located. The cadre has been stable notwithstanding a number of changes in government. The EU cadre is better paid than the civil service in general which may cause problems post-membership.

The six case studies enabled us to track adaptation pressures and change over time. Engagement with the EU started at different times for these six states. Ireland and Greece began to engage with the EU in the late 1950s and Finland in the 1990s. Slovenia had links through the former Yugoslavia and Hungary was the first of the post-socialist states in east central Europe to establish formal relations. Estonia's engagement began with independence. Historical institutionalist accounts of institutional change point to the 'stickiness' of institutions once established and the significance of path dependence in institutional development (Pierson and Skocpol 2002: 696-703). Notwithstanding institutional stickiness, institutional adaptation is endemic in political life. Cortell and Peterson distinguish between incremental change and episodic change (Cortell and Peterson 1999: 182). Episodic change may be related to what Collier and Collier term a critical juncture described as a 'a period of significant change....which is hypothesised to produce distinct legacies' (Collier and Collier 1991: 29). There is considerable evidence in the study of path dependency especially in terms of the core political and administrative features of the three member states. Engagement with the EU posed continuous albeit relatively low to moderate pressures for adaptation in national core executives. There were incremental changes in terms of administrative processes and capacities in response to developments in integration. Both Ireland and Greece, however, experienced a critical juncture in its relations with Brussels. Step changes in the dynamic of integration or domestic political shocks may trigger a response from the national level.

The inclusion in the study of states that joined the EU at different times enabled us to track the pressures for national adaptation over time in the different states. The formative period leading

up to membership was important for all states as this was the period when they experienced their first engagement with the EU. However, it was evident in Ireland and Greece, the two longest-standing members of the Union in the study, that insufficient attention was paid in these countries to preparing the domestic administrations for membership in the period leading up to accession. The main concern during the pre-membership phase was the accession negotiations and the terms of membership with little political and administrative energy left over for preparing to live with EU membership. There was an excessive focus on attaining membership and insufficient attention to the demands of membership. Finland, on the other hand, was ready for membership. The different experiences of Ireland and Greece, on the one hand, and Finland on the other, highlights the socio-economic cleavage in the Union. Both Ireland and Greece were relatively poor states when they joined as are the new member states. the Union. They have been under have been under intense pressure to implement the *acquis* and negotiate the terms of membership over the last decade.

In institutional terms, all three new member states are in period of episodic change. Preparations for membership intersected with the profound regime change that characterised all of these states since the collapse of communism. The conditionality attached to the bid for membership in addition to the fluidity of the domestic institutional frameworks meant that the EU played a significant role in shaping the management of European affairs in all three states. Adaptation to the EU began before membership and will last well into the early phase of membership. Post accession, the candidate states must move from a bilateral relationship with the EU to engagement with the Union's multilateral institutional and policy framework. The long-standing priority of gaining admission should now be replaced by attention to living with the system post-membership. There is a need for careful planning of human resources as the candidate states will inevitably lose some of their most experienced EU cadre to EU institutions. Of the three candidate states in the study, Slovenia appeared to be the only state that has begun to adjust to and plan for the post-negotiation phase.

Pressures for the development of capacity for management of EU affairs emanated from four sources, two exogenous and two endogenous (See Table 4):

- The demands of membership;
- Policy and regime change in the Union;
- Systemic change at national level;
- Political change in domestic government;

Of the three member states, Ireland and Greece experienced a critical juncture in their relations with the Union since membership. The Irish critical juncture was caused by the rejection of the Nice Treaty in June 2001. This was a major shock to the Government and the peak civil society organisations that had advocated a 'yes'. The period leading up to the re-running of the Nice referendum in October 2002 was characterised by increased attention to the management of EU affairs in the core executive and in the national parliament. The system of interdepartmental

committees was formalised and the committees met with greater frequency and regularity. The system of executive-parliament relations was completely transformed.

The critical juncture for Greece came in the 1990s when it appeared as if Greece would not be in a position to join the Euro. The arrival in power of Prime Minister, Simitis altered Greece's relationship with the Union. He was determined to modernise Greece and to prepare it for eventual membership of the Euro. Although Greece was deemed not to have met the Euro convergence criteria in 1997, it was a full member by the time the single currency came into circulation in January 2002. A high level committee of outside academic experts played a very important role in ensuring that Greece met the criteria for Euro membership. Change in Finland arose from internal constitutional change that was characterised by the gradual parliamentarisation of the Finnish system with the changing balance between presidential and prime ministerial power. The enhancement of the role of the Prime Minister's Office in EU affairs in 2002 was part of a wider systematic change. The three candidate states are all in a continuous process of change as a result of the transition. Relations with the EU interacted and intersected with the transition process. The EU has been a very important actor in the domestic transition processes and the preparation for EU membership, particularly the incorporation of the *acquis* absorbed considerable political and administrative energy. Governmental change in Hungary in 2002 signalled a change in domestic management and the re-emergence of prime-ministerial engagement with European issues.

**Table 4: Sources of change in the Six States**

State	Endogenous Change	Exogenous Change
Ireland	Nice 'No' 2001	Resurgence of Integration 1988 onwards
Greece	Arrival in power of PM Simitis	Euro
Finland	Constitutional Reform	
Hungary	Governmental Change	Application for membership/negotiations
Slovenia		Application for membership/negotiations
Estonia	Governmental Change	Application for membership/negotiations

## CONCLUSIONS

The country studies provide 'thick' analytical descriptions of how six small states manage their engagement with the European Union at the level of central government. Engagement with the EU impacts differently on the key co-ordinators at the centre of government, the ministries in

the inner circle and the outer circle of ministries that have minimal dealings with Brussels. The time-line of engagement with Europe dates from the late 1950s and 1960s for Ireland and Greece, the 1980s for Finland and the 1990s for the three candidate states. For all six states, Europeanisation began before membership and continues well after accession. Adaptation to EU membership is not a once off adjustment but a continuous process punctuated by occasional critical junctures. The emphasis on continuing divergence in previous studies of core-executive management of European affairs is not entirely supported by the findings of this study. There is convergence, apart from Greece, around a set of inter-ministerial devices to manage European issues. In other words, the instrumentalities for managing Europe are similar. In terms of core management of European affairs, the choice is between prime ministerial led or foreign ministry led systems. Divergence persists concerning the degree of institutionalisation and formalisation in the different national systems. Behind this variation lies different state traditions, administrative and political cultures and executive parliamentary relations. Thus it appears as if there is convergence around instruments but continuing diversity of core traditions. Two areas in particular require further research. First, more attention should be paid to the systematic comparison of the cultural dimension relating to the management of European affairs. Second, the extent and character of the EU cadre in different states deserves deeper analysis. The cadre act as boundary managers between the national and the European. These are the double hatters who live in the *demi monde* between the national and the European. Too little is known about their attitudes towards EU collective governance and their strategies for dealing with the internationalisation of public policy.

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