

PROBLEMS OF THE LISBON STRATEGY IMPLEMENTATION PROCESSES

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Executive Summary

The object of analysis in this paper is the Lisbon Strategy, which was launched in 2000 with a goal to make Europe the most competitive economy in the world in a ten-year period. The paper aims to identify and evaluate main factors, which affected the implementation process of this strategy and led to ambiguous results. The analysis is based on top-down and bottom-up approaches. The case of Lithuania is chosen for the bottom-up analysis in order to identify national level challenges to the Lisbon Strategy implementation. The research has shown that main obstacles to successful strategy implementation at the EU level were related to strategy's design and scope. At the bottom-up level, in case of Lithuania, the biggest problem was lack of political ownership and commitment, which led to formal implementation of the strategy.

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List of Abbreviations

EU	European Union
LS	Lisbon Strategy
MoE	Ministry of Economy
MS	Member State
NLSIP	National Lisbon Implementation Programme
OMC	Open Method of Coordination
SPC	Social Protection Committee

INTRODUCTION

The ten-year period from 2000 can be called the “Lisbon decade” in the European Union (EU). The Lisbon European Council (2000) defined the strategic goal for Europe – “to become the most competitive and dynamic knowledge-based economy in the world” in ten years. In addition, the new “soft” open-method of coordination (OMC) was introduced as a main tool to achieve that goal. Due to its scope and the new type of governance instruments introduced, the Lisbon Strategy (LS) was one of the most significant political initiatives, launched at the EU level (Borras 2009, 113).

After ten years have passed, however, the main goal was not achieved and the EU is still lagging behind the USA and East Asia in many fields (for comparison, see the appendix 1 on page 40). On the other hand, the success or failure of the strategy cannot be assessed only by measuring the achievement of quantitative targets. As the recent evaluation of the LS conducted by the European Commission (2010) highlights, the strategy succeeded in setting the agenda for reforms in MSs and in helped to build a broad consensus on the need for structural reforms. However, the performance of individual Member States (MSs) varies a great deal, as some countries have achieved significant results of reforms implemented, while others need considerable improvement. Thus, one of the major drawbacks of this strategy was its inability of solve the delivery gap between commitments and real actions (European Commission 2010). This paper will be based namely on analyzing this gap, which refers to the implementation process.

Scholars have analyzed issues related to the LS and the OMC from various perspectives and angles. Some (Borras 2009; Johansson et al. 2007) focused on political side of the strategy, others (Pochet 2004; Radaelli 2003; Radaelli 2008; Borras and Jacobsson 2004; Kroger 2009) were interested in peculiarities and potential of OMC, as a novel

governance tool. Finally, a considerable amount of literature (Citi and Rhodes 2007; Kerber and Eckardt 2007; Schout 2009) is devoted to analyzing issues related to learning as the main feature of soft governance and the LS. However, while authors addressed many important factors of the LS implementation, an integrated approach to the strategy implementation process was not provided. In addition, not enough attention was paid to the detailed analysis of the national level factors and their impact to the LS strategy implementation at the EU level. Therefore, this paper will contribute to the research in the field by providing an integrated approach to the analysis of the LS implementation and drawing a particular attention to the importance of the national level performance.

The paper focuses on the implementation process of the LS rather than on outcomes because outcomes were seriously affected by the recent world financial and economic crisis, which undermined results achieved so far by the Lisbon Agenda. The implementation process therefore often determines the success of any policy initiative and this process requires a particular attention by analysts. It is important to identify main factors, which influence the implementation process and affect outcomes. Thus, this paper aims to answer the question what factors and in what way affected the implementation process of the Lisbon Strategy.

In order to answer this question, a conceptual framework combining the top-down and bottom-up approaches to policy implementation will be developed in order to take into account the European and national level factors. Regarding the LS as a “policy” is important in order to provide an explanation of general problems that might be expected in the implementation process of such broad and long-term policy initiatives. As European governance is a complex arena with many interactions, it is necessary to construct a conceptual framework suitable for taking into account complex issues.

The analysis of the LS implementation process will be useful for illustrating and explaining underlying problems and challenges of the changing mode of European

governance. Such knowledge helps to anticipate future risks of particular policy initiatives and provides insights how to develop better policies at the supranational level. This is especially relevant now, when the new strategy for Europe for the next decade has been already drafted.

CHAPTER 1. CONCEPTUAL FRAMEWORK

This chapter, consisting of three sections, presents theoretical considerations on implementation research and defines the analytical model for analyzing the LS implementation process at the end. The first section analyses approaches to implementation research, the second one discusses elements, relevant for the analytical model, and the third section presents the model and methodology of the research.

1.1. Approaches to Implementation Research

It is useful to start the development of the conceptual framework for the analysis of the LS from presenting the context of policy analysis research. The policy cycle framework was used in the policy analysis research as a suitable way to systemize various approaches applied in the field (Jann and Wegrich 2007, 43). The policy cycle consists of different stages and presents the conventional sequence of the policy making process. The policy starts from the agenda setting stage, and then continues with the policy formulation. After that comes the decision making and the policy implementation process and finally the evaluation stage of a certain policy may set agenda for new policies or may lead to the reformulation of the same policy (see the Fig. 1 below). The policy cycle model represents a theoretical approach to the policy making process and helps to grasp the overall context of it.

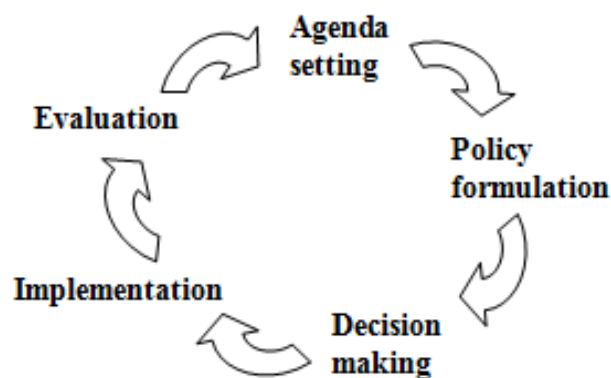


Fig. 1. The policy cycle model.
Source: adapted from Jann and Wegrich 2007.

As this paper focuses mainly on the analysis of implementation, we have to discuss it more deeply. In general, implementation refers to a stage when policy is enforced and executed by responsible bodies (Jann and Wegrich 2007, 51). Interestingly, this stage was not identified in public policy analysis until the 1970s and was referred to a missing link (Hargrove 1975). Since then, implementation research has attracted a considerable attention by scholars, who developed three broad approaches to implementation studies over time: the top-down, the bottom-up and hybrid approaches. Pulzl and Treib (2007) provide a comprehensive overview of these three approaches. Authors emphasize, that the top-down analysis of implementation usually starts from the policy decision, taken at the top level in the political system and focuses on the ability of decision makers to control the implementation stage. In contrast, bottom-up approaches assume that defining good policy objectives at the top level is not enough for successful implementation and it is necessary to analyze how various actors are involved in the implementation stage and what role they play. Finally, authors explain how hybrid theories combine relevant elements from both approaches in order to develop more sophisticated conceptual frameworks for analyzing implementation.

While most of the implementation theories were applied for analyzing the national level processes, the international arena has also gained a growing importance for scholars. As

Pulzl and Treib (2007, 98) point out, initially, European integration research on implementation was based mostly on top-down approaches but eventually it turned to broader hybrid approaches, as awareness grew about political challenges of implementing EU policies at the national level. The relevance of hybrid models grows even more, since the introduction of soft governance tools at the EU level, because this new type of governance relies a great deal on the national performance by MSs. In this regard, European policy making changed from the hierarchical legislation to a networks based mode of governance, that was supposed to bring win-win situations through interactions of various involved actors (Schout 2009, 1124). Therefore, the analysis of complex European governance problems needs an application of adequate conceptual frameworks, which combine elements from both top-down and bottom-up approaches. In the following sections, relevant elements for such model are identified and discussed more deeply.

1.2. Elements of the Analytical Model

1.2.1. Policy Problem, Design, Actors

The policy cycle model (see Fig. 1 on page 5) assumes that the implementation stage can be analyzed separately because it comes after the agenda setting, policy formulation and decision making stages. However, later studies on implementation showed that sequential model is not appropriate enough for explaining real world diversity and there is need for integrated approaches, taking into account the impact of other stages to the implementation process. In the case of the LS implementation, identification of such impacts both at the EU and at the national levels is of particular importance.

Scholars constructing hybrid models do not agree from what point the analysis of the implementation process should start. The well-known Sabatier's (1986, 39 - 39) hybrid model

of “Advocacy Coalition Framework” suggests that analysis of the implementation should begin from looking at a particular policy problem and then at strategies chosen by relevant actors for dealing with that problem. Sabatier’s model focuses on the constellation of actors as “advocacy coalitions”, as well as on socio-economic factors and legal constraints of actors’ behavior, which consequently affects the policy implementation.

In contrast, Winter (2006, 155) presenting his “Integrated Implementation Model”, argues that the implementation results are primarily affected by the policy formulation process and the policy design. To make it clear, the policy formulation refers to the stage when programs with defined objectives and action alternatives are adopted in reaction to certain policy problems (Jan and Wegrich 2007, 50). According to Winter (2006, 155), if certain conflicts occur in the policy formulation process, it might lead to the creation of ambiguous goals and wrongly chosen means for achieving these goals. Therefore, the way in which the policy is designed, has direct effects to its implementation process and final results. These insights show that different policy cycle stages are interrelated and should be analyzed jointly.

Both frameworks presented combine important elements, useful for designing a model applicable for the analysis of such specific policy initiative as the Lisbon Strategy. First, using Sabatier’s suggestion, the type of the problem, which Europe tried to solve by launching the Lisbon Strategy, will be discussed, taking into account external factors. Then, the Lisbon Strategy design at the EU level will be analyzed, referring to issues, emphasized by Winter. The role and behavior of different actors, emphasized by Sabatier, is equally important for evaluating the Lisbon Strategy implementation process both at the EU and at national levels.

In addition, a useful element from Sabatier’s model is its focus on analyzing policy change over time. According to Sabatier (1986, 39), a longer period span in the advocacy coalition framework is useful for taking into consideration the policy-oriented learning, which

may lead to the improvement of the implementation process. This insight will be important when analyzing the LS case. Before that, it is necessary to contextualize briefly the concept of learning.

Different kinds of learning might be distinguished in policy analysis. For example May (1992) talks about two general types of learning: there first one is “policy learning”, which includes “instrumental learning” (about policy instruments or implementation designs) and “social learning” (about social construction of policy problems); and the second one is “political learning” (learning about promotion or certain policies). Whereas, in the EU context Schout (2009) proposes the term “governance learning” (learning about governance modes), consisting of “instrumental learning” (borrowed from May) and “organizational learning”, which refers to the organizational change. The role of learning will be particularly important in the analysis of the OMC as the main tool in the LS implementation..

1.2.2. Policy Instruments and Their Application

Referring to Winter (2006), we can say that the implementation process might even fail due to wrong causal theory linking policy goals and policy instruments. Accordingly, it is crucial to evaluate the appropriateness of policy instruments choice, when analyzing the LS.

The most important implementation instrument of the LS was the OMC – the innovative soft method, based on learning processes. The OMC is the governance instrument through which MSs transferred coordination and communication responsibilities to the EU level without transferring legislative or executive powers (Borras 2009, 98). Therefore, a big part of the analysis of the LS implementation will be based on evaluating the effectiveness of the OMC. Because of that, there is a need to present the specificity of this instrument.

The OMC establishes a system where the central level is responsible for identification of best practices at the lower level, and then supports the diffusion of these best practices at

the lower level (Kerber and Eckardt 2007, 230). Here a mutual interdependence between upper and lower levels prevails. As Schmidt and Radaelli (2005, 9) point out, in order to find out, whether the OMC has had effects on the national level, it is necessary to look at the level of national policy makers. It means that rules, especially not binding rules, determined at the supranational level do not automatically translate into implicit obedience at the national level. Based on this insight, the analysis of the implementation process of the LS will be conducted applying both the top-down and the bottom-up approaches. In addition, as the OMC relies on learning processes, it is necessary to identify conditions under which learning is expected to drive for changes at the national level.

The literature review on learning issue shows that scholars identify different set of factors, which facilitate or burden learning processes at the national level. For example, Borrás and Jacobsson (2004, 195) suggest that national policies change, if there is a clear political commitment to common goals, Radaelli (2008) emphasizes that learning is supposed to happen through a wide participation, and finally Kerber and Eckardt, (2007, 236) highlight the importance of incentives of MSs to implement EU recommendations in national policies. Citi and Rhodes (2007, 473-477) make a valuable contribution in this discussion and propose five conditions which make a transfer a policy rational for national decision makers, in cases when there is no coercion from the top level:

- Policy failure, uncertainty and insecurity – there needs to be a model or policy alternative available;
- External conditionality (neither financial nor political incentives provided);
- Functional interdependence;
- Consensus and normative consistency (nature of message being communicated);
- Domestic receptivity (can be fostered by socialization and material incentives).

As we can see, the question of appropriateness of policy instruments in the case of the LS seems to be very complex and context bound. Therefore, this paper will evaluate how effectively the OMC was employed at the EU level and what challenges have occurred at the national level, using the case of Lithuania. In order to make such evaluation, it is necessary to analyze implementation processes which can be defined as “organizational and inter-organizational behaviors representing different degrees of commitment and coordination” (Winter 2006, 156).

In addition, the effectiveness of coordination depends on the capacity of actors and bodies involved in implementation processes. As Schout (2009, 1126) points out, the introduction of new instruments in the EU governance needs to be matched with developing administrative capacities in the EU institutions as well as with capacities at the national level. This refers firstly to financial and human resources, and here an important role is played by the so-called street level bureaucrats, who are responsible for daily policy implementation tasks, often have “discretionary freedom and autonomy” (Hill and Hupe 2002, 52) and can affect implementation results quite strongly.

In the case of the LS, as Schout (2009, 1129) emphasizes, it is crucial to ensure efficient coordination capacities at the EU and at national levels due to a big workload created by new instruments. Due to the complex structure of the LS implementation, effective coordination and adequate capacities at all levels are very important and this issue will be addressed in the paper.

1.3. Analytical Model and Methodology

The Fig. 2 below provides the illustration of the analytical framework for analyzing the LS implementation. The framework summarizes important elements discussed so far and shows their interrelations. The structure of following chapters of the paper is based on this

framework. The second chapter provides an analysis of factors that made influence to the LS implementation from a top-down perspective. After that, the third chapter analyses the LS implementation process at the national level.

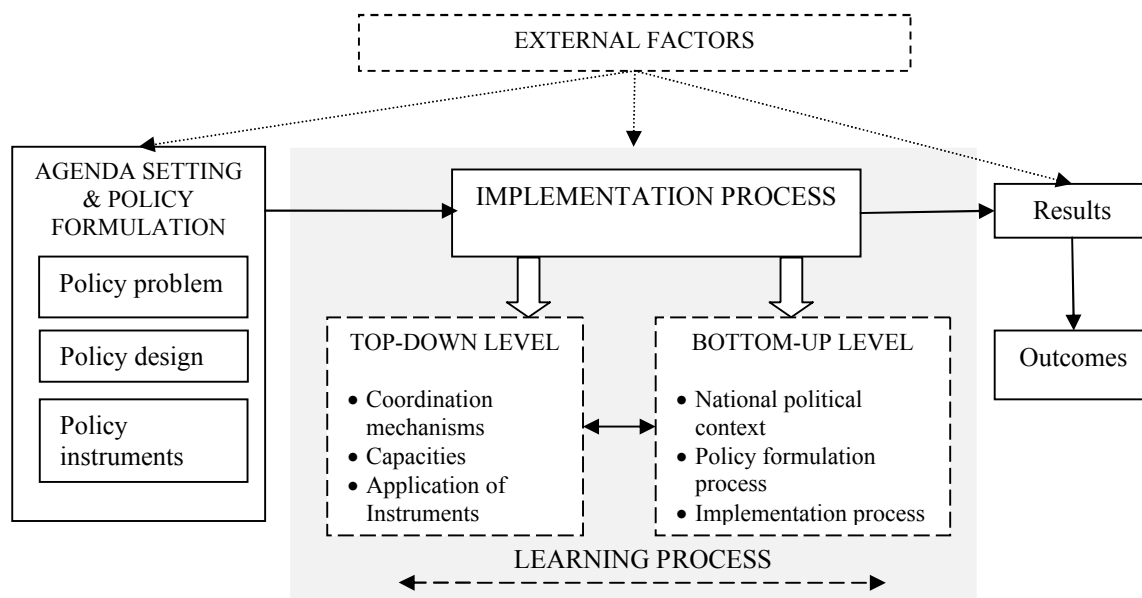


Fig. 2. The analytical model for analyzing the Lisbon Strategy implementation.
Source: created by the author.

As regards methodology, this paper is a qualitative research of the LS implementation. The literature review and document analysis are main methods chosen for answering the research question. For analyzing the European level factors, different sorts of documents are consulted: the European Commission's legal documents; conclusions from the European Council; reports issued by EU institutions and international organizations. In addition, the analysis of previous research in a field was a useful source of information.

Due to the scope of this paper, for analyzing national level factors a single case of Lithuania was chosen. This country represents a group of new MSs, which entered the EU in 2004 and faced similar challenges of the LS implementation. Although an analysis of a single case cannot lead to broad generalizations, it provides an in-depth understanding of peculiarities at a particular national level. An in-depth single case study provides important

insights, which are not discussed in research that provide more general overviews. Moreover, the information of a single case might be used as a valuable source for future research, when comparing different cases. Lithuanian case was analyzed, by using these sources: legal acts of Lithuanian institutions, official reports issued by the Government of the Republic of Lithuania and by the European Commission, also by analyzing previous research in the field.

Certain limitations of the methodology used in this paper need to be emphasized. First, in order to evaluate deeply the EU level factors, such methods as surveys and interviews would be useful, however time and scope limits of this paper did not allow to do that. Secondly, generalizations about bottom-level role could be made by analyzing other countries as case studies. This can be done in papers of broader scope.

CHAPTER 2. TOP-DOWN ANALYSIS

This chapter provides an analysis of top-level factors, which affected the LS implementation process. The first section of this chapter focuses on the agenda setting and policy formulation issues, while the second one analyses implementation of the LS at the EU level.

2.1. Agenda Setting and Policy Formulation

This section analyses the agenda setting and policy formulation stage of the LS. As the analytical model (see Fig. 2, page 11) shows, this stage affects the implementation process. In order to evaluate effectively the implementation of the LS, it is necessary to identify contextual factors as well as weaknesses in the strategy design and policy instruments. The section consists of three sub-sections: firstly, contextual problems which were important on the eve of the LS are discussed; secondly, the design of the LS is presented; finally, one of the most important policy instruments of the Lisbon Strategy – the OMC – is analyzed in terms of its strengths and weaknesses.

2.1.1. Contextual Factors

Initially the LS was an intergovernmental project which, according to Borrss and Jacobsson (2004, 198), strengthened the role of the European Council in terms of political leadership and guiding. This demonstrated a high political commitment, which is an important driving force for any political initiative to be successful. A question, however, arises about the reasons that resulted into a common agreement about the Lisbon Agenda. This sub-section provides an overview of three broad set of contextual factors, which made a considerable influence for launching the LS and affected its design in different ways.

The first factor that led to the creation of the LS was related to the world economic context in the late 1990s. The EU, as an important world economic player, faced the challenge of coping with growing competition in the world economy. The USA and BRIC countries (Brazil, Russia, India, China) were developing rapidly and were threatening to undermine the European growth in a new future. Therefore, this fact raised European concerns about the need to strengthen their role in the global economy by enhancing growth through increased competitiveness and investment into knowledge. The aspiration of European leaders to make the EU the most competitive region in the world over ten years sounds very ambitious at present, but as Tholoniati (2010) points out, Europe was experiencing a fast economic and employment growth in late the 1990s, which was the reason to believe in a feasibility of that goal. The global economy context and challenges represent the importance of the so-called “policy problem” (referring to Sabatier), which attracted a serious political attention and put the LS on the European agenda.

Secondly, the EU was facing certain internal governance problems, which forced policy makers to think about appropriate solutions to them. At the end of the 1990s, Europe suffered from number of legitimacy problems and challenges which were highlighted in the White Paper on European Governance (European Commission 2001). First, the document emphasized that people had lost trust in European institutions and politics, and that the distance between the EU and people was constantly growing. Secondly, the White Paper highlighted the need for more openness, accountability and responsibility in European policies, which required the renewal of the hierarchical Community method legislation and introduction of more non-legislative policy instruments. Consequently, these challenges encouraged European leaders to think about ways how to increase peoples’ trust in Europe and about tools improving governance processes. The LS reflected these concerns and emphasized the importance of the sovereignty principle in the implementation process of the

strategy. Even though the sovereignty problem seemed to be addressed through designing a bottom-up implementation structure of the LS, this was later to become an obstacle to effective implementation.

The political context was also important factor that affected the design of the LS. The centre-left governments, which ruled Europe in the second half of the 1990s, created opportunities to foster the EU's intervention into socio-economic policy areas, which were always under the national competency. Experience with such projects as the Luxembourg process (employment policy), the Cardiff process (competitiveness), the Cologne process (macro-economic dialogue), which used soft governance tools, acted as inspiration for decision makers to launch the LS. This strategy extended soft governance tools into such fields as social policy, research, business policy, information society, education. Within a few years of the launch of the Lisbon Strategy, OMCs were introduced into other policy areas – better regulation, youth policy, pensions, health and long-term care (Zeitlin 2007, 133). The scope of the strategy explains the “soft” nature of the Lisbon Agenda, which caused certain problems, which will be addressed later in the paper.

In sum, three contextual factors discussed so far are very important for understanding that the LS was launched as a result of specific conditions, challenges and circumstances, which prevailed in a particular period of time. These factors contributed to certain internal weaknesses of the strategy, which later became obstacles for the successful implementation process. Therefore, it is necessary to analyze the LS design more deeply.

2.1.2. The Strategy Design

The LS was unique in terms of its broad scope because economic, employment and social policies were combined into one document, including an environmental dimension as well. This fact demonstrates the catch-all nature of the initial strategy, which tried to combine different positions, opinions and views of what is important. The main problem of the first

version of the Lisbon Agenda was the quantity of different goals defined. Johansson (et al. 2007, 13) shows that, according to some estimation, the strategy contained over 100 goals, while according to other – about 400. It is obvious that such indefiniteness cannot result in tangible results, as the strategy became “overloaded, failing co-ordination and sometimes conflicting priorities“ (European Commission 2005). As a result, it became crucial to narrow and simplify the scope of the strategy in order to avoid total failure.

Since the re-launch of the LS in 2005, its scope narrowed and focused primary on “delivering stronger, lasting growth and creating more and better jobs“ (European Commission 2005). The focus on growth and jobs can be related to political circumstances during the strategy revision process - the domination of the centre-right Council and the newly elected Barroso Commission, who demonstrated a commitment for the reform and supported giving a stronger role for the Commission. After the Lisbon revision, the “Integrated guidelines” agreed by the Council, became the most important guiding tool for defining National Reform Programmes in Member States. In 2005, twenty-three broad integrated guidelines were defined and in 2008, one more was added. This change demonstrated the learning process at the EU level over time, which led to the simplification of the strategy and creation of conditions for better implementation process.

In spite of this achievement, certain drawbacks of the strategy design need to be highlighted. Firstly, a negative feature of the initial and the renewed LS was the absence of clear links between defined objectives and financial instruments for implementing these goals. It was therefore left to the responsibility of MSs to find financial and other resources for implementing national structural reforms, which would lead to the achievement of common European goals. Eventually, this feature became an implementation obstacle due to differences among Member States. In addition, as Johansson (2007, 14) points out, common targets set for the period of ten years failed to take into account differences among MSs and

their capacities to achieve certain such ambitious goals (such as the target of three percent investment into R&D). In addition, integrated policy guidelines were not prioritized and MSs could pick out those, which seemed to be the most appropriate for them. Over time, it led to unequal development of MSs, made the LS implementation process difficult, and created significant obstacles for reaching common goals.

As it has been shown, the LS suffered from number of weaknesses in its design. Despite some level of learning and improvements made over time, the scope of the strategy remained quite broad with loosely defined goals. According to the analytical framework, we have to analyze next the specificity of policy implementation tools, chosen for achieving Lisbon goals.

2.1.3. The Open-Method of Coordination

The Lisbon European Council introduced the OMC as a main tool to achieve these strategic goals for Europe: the transition to a knowledge-based economy and society; modernization of the European social model, investing in people and combating social exclusion; applying an appropriate macro-economic policy mix for sustaining the healthy economic outlook and favorable growth (Lisbon European Council 2000). The OMC differs a great deal from traditional policy tools used in European governance for a long time. Radaelli (2003, 24-26) distinguishes six characteristics of the OMC:

- limited role of law;
- novel approach to solving problems;
- participation as one of key elements;
- importance of diversity and subsidiary emphasized;
- promotion of a network-type work;
- potential for policy learning through trans-national diffusion.

From these characteristics, we can see that the introduction of the OMC demonstrated a changing approach to the governance in the European context, which happened due to certain circumstances. To start with, the wider and deeper European required interventions into broader spectrum of policies (such as socio-economic), where the EU had limited or no competence. This change raised concerns of how to preserve legitimacy and sovereignty of MSs. In this context, discussions started about appropriate forms of legislation in the rapidly changing environment and concerns emerged about the necessity to involve more citizens' participation in policy making (Pochet 2004, 192). Consequently, soft governance with the OMC were regarded as suitable tool for addressing challenges the Europe faced in the 1990s. The European Monetary Union and the European Employment Strategy can be called predecessors of the OMC (de la Porte 2001, 300). Especially, the European Employment Strategy is regarded as a successful example of using this soft coordination, which was expected to be successful in the LS case as well.

An important feature of the OMC is the absence of sanctions because the instrument relies on the voluntary cooperation between MSs and on the commitment to common policy goals. In contrast, the experience with the Stability and Growth Pact and the European Employment Strategy demonstrated that the stronger sanctions are, the better the implementation of common objectives works (Kerber and Eckardt 2007, 236). It means that the absence of sanctions might create obstacles for effective implementation process. On the other hand, successful or unsuccessful application of the OMC differs, depending on particular context and on existing circumstances.

However, most important feature of the OMC is its flexibility and reliance on the bottom level. In addition, this policy tool emerged from discussions that tried to come to the consensus on conflicting issues and opinions. Thus, the actual impact of the method depends on its application in different contexts.

From the overview of the LS agenda setting, policy formulation and design stages, it can be seen that the LS was not an ordinary policy initiative but emerged as a response to various external and internal pressures. This determined its relatively weak design and the introduction of new soft governance tools. Next two sections analyze the LS implementation processes at the top-down and bottom-up levels, focusing mainly on the renewed LS.

2.2. Implementation Processes

This section analyses the Lisbon Strategy implementation process from the top-down European level. The first subsections focuses on coordination structures, the second one analyses EU level capacities and the third presents the issue of learning.

2.2.1. Structures for Coordination Processes

Initially, the governance structure of the strategy was dispersed and blurred, as the decentralized approach was chosen with the full respect for the subsidiarity principle. The European Council was responsible for ensuring the leadership and providing an effective monitoring of progress, while the achievement of the strategy goals was meant to rely on private sector, public-private partnerships, mobilization of available resources and on efforts by MSs (Lisbon European Council 2000). Eventually, the Council proved to lack capacities for continuous coordination of the Lisbon processes. As the Kok report (2004) emphasized, such governance setting was ineffective and unable to deliver intended results. All drawbacks identified called for the urgent revision and improvement of the Lisbon governance structure. Consequently, after the midterm review of the Lisbon Agenda in 2005, the role of the European Commission was strengthened, leaving to the Council a role of political guidance.

The European Commission became the much more important actor as partnerships between the Commission and each MS (and between national governments and domestic stakeholders on the other) were introduced in 2005. The Lisbon implementation process was divided into two three-year cycles – the first started in 2005 and the second in 2008 (Presidency Conclusions 2005). The type of communication and the implementation of the LS changed from multi-lateral discussions between MSs and the Commission about separate policy themes to a bilateral dialogue between the Commission and MS about individual national action programmes (European Commission 2005). As Zeitlin (2007, 137) points out, this innovation was supposed to increase the commitment of MSs towards the LS, and to solve implementation problems by improving the governance. To a certain extent, it helped to achieve better implementation.

The renewed Lisbon Strategy has also defined clear responsibilities and tasks for actors involved in the process (see Fig. 3 on page 21). Based on European Council conclusions, the Council adopted Integrated Guidelines, according to which MSs drafted their National Reform Programs and the Commission drafted the Community Lisbon program. The Commission was also given a role to report on the implementation of all three elements of the strategy. Based on the Commission's evaluation, the European Council reviewed the progress every spring and could make adjustments if necessary. In addition, national Lisbon co-ordinators were appointed in MSs, in order to increase the national ownership and visibility of the Lisbon Agenda. This renewed structure of governance simplified and facilitated the implementation process.

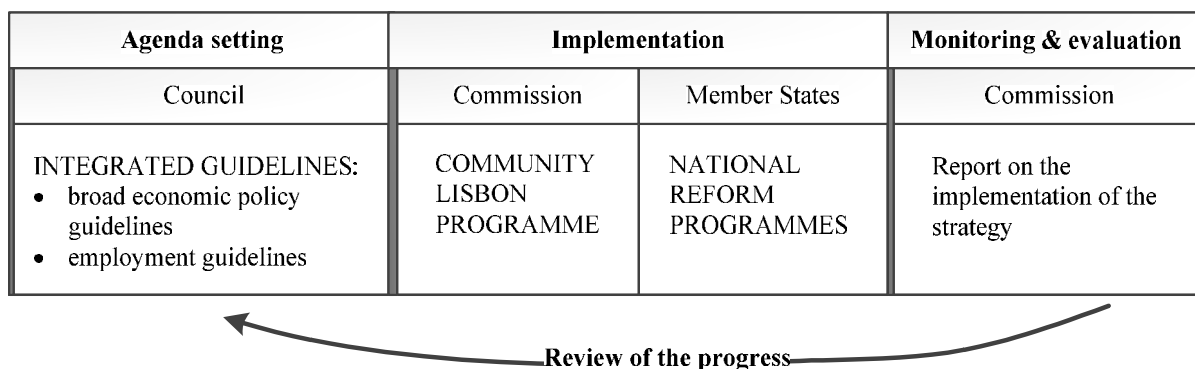


Fig. 3. The Lisbon process cycle since 2005.

Source: adapted by the author from the Presidency Conclusions (22 and 23 March 2005).

Setting formal structures and procedures, however, does not automatically guarantee effective implementation process in practice. As it was discussed in the first chapter, the success of the implementation process depends a great deal on capacities of actors involved. Thus, the next sub-section provides an overview of capacity issues at the EU level.

2.2.2. Capacities

The European Commission became the main actor, responsible for coordinating activities of the drastically enlarge EU. Therefore, it is important to assess, whether the Commission had adequate capacities to deal with all tasks assigned to it, especially keeping in mind the fact of a drastic EU enlargement in 2004.

For example, the evaluation of Integrated Guidelines Package (European Commission 2008) pointed out, that due to the broadness of integrated guidelines, the National Reform Programmes of many MSs were not harmonized and loosely related to guidelines, which made it difficult to evaluate and survey the general progress achieved Europe. According the evaluation, in spite of the reporting burden assigned to the Commission and challenges related to that, the Commission was able to fulfill its tasks properly and proved to have adequate

capacities. This fact demonstrates Commission's capability to deal with complex problems and challenges in the re-launched LS implementation process.

It is also important to take into account the role of OMC committees, which were established for promoting learning and cooperation among MSs: Employment Committee, Social Protection Committee (SPC), Economic and Political Committee, Economic and Financial Committee. Even though these committees are not very visible to the wide public, their work is very important at the expert level. Being neither under the Commission's nor under the Councils control, these committees played an intermediate role between those two bodies and between the Commission and MSs. The question rises about capacity of these committees to promote cooperation and learning.

Let us take an example of SPC – one of the most important committees for Lisbon processes. The study by Horvath (2008) analyses changing informal practices within the SPC after the enlargement. She found out several factors, which burdened functioning of this committee: an increased number of members made the work of the committee based more on written procedures because having discussions on each issue became problematic due to technical reasons; also, representatives from new MSs were more passive in discussions due to the lack of experience and shyness to participate actively in committee's meeting. Most importantly, Horvath identified several important national level factors, which made the work of the committee more difficult: the lack of human resources, high turnover of representatives, lack of experience and expertise in a field by new member states' representatives in SPC.

From Horvath's study we can see, that despite some practices changed due to the enlargement, the SPC was able to adapt to new challenges. As summarized by Puetter (2008, 489), other EU committees also showed ability to adapt to enlargement challenges and preserve the role of acting as forums for elite-type dialogue. However, many unsolved

national level problems determined unequal positions between new and old member states in committee governance.

The next sub-section looks at how effectively the learning potential was used in practice through the soft governance.

2.2.3. Learning Processes

As concerns the promotion of learning processes between MSs through the OMC, the Commission was given a leading role as a coordinator. It decided to organize “sharing success” seminars with national Lisbon coordinators and established networks for sharing best practices on innovation among regions and cities (European Commission 2006). Favorable conditions were created for promoting learning, based on the following logic: policy makers create a “club spirit” through communicating with each other and exchanging good practices, the Commission plays a role of knowledge broker and then the learning process shapes reforms at the national level (European Commission 2008, 8). Therefore, the institutional setting for spreading good practices and fostering learning processes was provided at the EU level.

However, the application of the OMC and promotion of learning among MSs in practice faced considerable challenges. As Radaelli (2008, 250) points out, the heterogeneity of MSs created barriers for transferring experiences among them due to certain institutional legacies, traditions or different legal cultures which need to be taken into account. An important question that needs to be answered is whether the learning from the upper level through providing peer reviews and benchmarks happens in practice. This question has been analyzed by different scholars.

Learning processes are problematic due to many reasons. First, according to Kerber and Eckardt (2007, 241), it is impossible to select “best policies” in all fields, where the OMC

is applied and learning becomes highly contextualized. Zito (2009, 1116-17) points out that in the case of huge diversity of interactions, which exists in the EU context, such obstacles as tensions between innovation and path dependence occur in learning processes. Radaelli (2008, 243) develops this idea by emphasizing that national actors are smart and they learn techniques how to deal with instructions set by the upper level. In addition, benchmarking, peer-review, and learning can mean different things in different policies and policy-makers at the national level may refer to the OMC as source of legitimacy, but act in their own benefit (Radaelli 2003).

Authors (Radaelli 2003; Kroger 2009) agree that learning in a political context is about power, as the OMC functions in the environment with big pressures. As Kerber and Eckardt (2007, 236) point out, the OMC has shown difficulties with providing incentives for national actors firstly to involve into processes of sharing better policies experiences and then to implement better policies. Even though national level actors become involved in learning processes, the capacity to persuade to implement, what was learnt, becomes a problem. Research (Kroger 2009, 7) show that political elites are usually absent from OMCs and bureaucrats, who participate in OMC processes often lack knowledge of foreign languages necessary for discussions, also they lack financial resources and political power to spread new information and push for implementation at their national level.

IT can be summarized that despite a high potential of policy instruments to produce favorable outcomes, real effects depend on the bottom level. Therefore, if learning cannot be regarded as mechanic process, we need analyze the bottom level and to identify factors, which foster or prevent MS from learning processes or affect their commitment towards achievement of common goals which were set at the upper level.

CHAPTER 3. BOTTOM-UP ANALYSIS: CASE OF LITHUANIA

In order to demonstrate internal national challenges of the Lisbon Strategy implementation, the analysis of the Lithuanian case is provided. The chapter consists of four sections, where firstly the implementation of the Lisbon Agenda until its re-launch is analyzed in Lithuanian context. After that, the implementation of the newly launched LS is analyzed. The fourth section focuses on implementation problems and finally, fifth sections evaluated the impact of the national Lisbon program implementation to Lithuanian decision making process.

3.1. The Period Before 2005

In order to evaluate the Lisbon Strategy implementation in Lithuanian context, it is necessary to understand how relevant were Lisbon goals for Lithuania and what was the attitude towards the Lisbon strategy of Lithuanian decision makers.

To begin with, Lithuania was involved in the OMC processes well before entering the EU in 2004. Until 2005, the coordination of the Lisbon programme was assigned to the ministry of Foreign Affairs of Lithuania. Two main Lisbon strategy documents in Lithuania were the list of strategy's structural indexes and the national position on the Lisbon strategy. The implementation of the Lisbon strategy was indirect because it was a part of the Long-Term Development Strategy of the State implementation process. Provisions of this strategy were of a very broad nature, weakly related to the Programme of the Government, which represented a formal attitude and a little commitment to European goals at the national level.

It can be said, that structural problems with the Lisbon process in Lithuania, which prevailed after 2005, were already present at the initial stage.

The *ex-ante* evaluation of the EU Lisbon Agenda and its impact to Lithuania, performed by the Lithuanian Free Market Institute in 2003, highlighted several important problems in the national context. First, the inconsistency and contradiction of Lisbon goals, which makes it difficult to transfer commonly set objectives into the national context, was discussed. Secondly, the problem of horizontal coordination in Lithuania was emphasized because the list of measures for the Lisbon strategy implementation was formed on a sectoral basis by involved institutions, without clear leadership. These measures were re-written from other already existing policy documents in *ad hoc* principle without evaluating which European Lisbon strategy's goals were more important and relevant in Lithuanian case at that time. Finally, the evaluation found that Lisbon tasks and their implementation measures were little discussed, formally set and not prioritized in Lithuania. A very important recommendation was made (Lithuanian Free Market Institute 2003, 91) for national decision makers - to set clear priorities for goals and to choose those which are the most relevant for the country regarding its economic conditions and other contextual factors.

A remark can be made that initially, the LS in Lithuania was not taken very seriously at the political level. This is not surprising because until 2004 Lithuania was still a candidate country, concerned with fulfilling all obligatory membership requirements on time, which was the one of the most important national goals for the country. In contrast, the definition and implementation of non-obligatory "soft" Lisbon goals became an additional technical assignment for Lithuania of a little real importance. That was also related to the fact that the LS implementation procedures were not clearly set at the EU level either in first five year after the launch of the strategy, which functioned as some sort of a political umbrella (Borras 2009, 104). It would be wrong to expect that such strategy could be effectively implemented at the national level if the supranational level is undecided about its proper design. Finally, Lithuania did not participate as a MS in initial discussions and deliberations about this

strategy and this contributed to the problems of the political ownership of the LS at the national level.

3.2. The Period After 2005

After the re-launch of the Lisbon Strategy in 2005, however, the situation at the EU and the nation levels had changed. Lithuania became a MS of the EU and the LS implementation process was divided into two three-years cycles: the period of 2005-2007 and the period of 2008-2010. A brief presentation of both periods in Lithuanian context is necessary.

In Lithuania the Ministry of Economy (MoE) was assigned responsible for the coordination of the Lisbon Strategy implementation and few years later the Minister of Economy was appointed the “Mr. Lisbon”. The National Lisbon Strategy Implementation Programme (NLSIP) for 2005-2007 has identified three main national goals: to sustain fast economic growth and macroeconomic stability, to foster the competitiveness of Lithuanian enterprises, to foster employment and investment in human capital (The Government of the Republic of Lithuania 2005). For the implementations of this programme 268 measures were defined and over 240 people were involved. The NLSIP was designed in a bottom-up style, as various stakeholders proposed different measures, which were combined into the one document. However, the drawback of this type of programme drafting process was the lack of leadership and effective horizontal policies coordination. As a result, the NLSIP was designed without identification of clear priorities, which burdened the implementation of this programme later.

In the new cycle, the NLSIP for 2008-2010 remained focused on same macroeconomic, microeconomic and employment areas as in the previous cycle (see the design of the programme in the appendix 3 on page 42). The main goal to increase the

competitiveness was highlighted and 112 measures defined for the implementation process. However, the economic situation in the country has changed greatly because of the world economic crisis and a sudden response to that was needed from the Government. The newly elected Government adopted its anti-crisis programme at the end of 2008. In addition, the Economic Stimulus Plan was drafted in Lithuania in the light of the European Economic Recovery Plan. Therefore, the challenges, which were defined in the NLSIP in 2008, changed because of drastically increased unemployment level and related problems of the labor market. As a result, The Economic Stimulus Plan was given the priority over the Lisbon programme. In general, many planned NLSIP measures were suspended or cancelled due to the lack of financial sources.

As regards the internal implementation and monitoring structure of the NLSIP, Lithuania has created a comprehensive system, which is illustrated in Fig.4 below. This structure is divided into two parts: the state part, where various state institutions are responsible for certain NLSIP implementation and coordination tasks, and the public part, which is represented by four focus groups:

- Macroeconomic policy group;
- Scientific research and experimental development and innovations group;
- Business competitiveness group;
- Employment promotion and investment in human capital group.

These focus groups consist of social-economic partners, experts, representatives from various organizations and other stakeholders. They are responsible for steering and evaluating the implementation and the renewal process of the NLSIP. In addition, these focus groups, in the field of their competence, can propose suggestions to the Supervisory Commission as regards issues of the NLSIP. The Annual Progress Report on the implementation of the NLSIP, which

needs to be submitted to the European Commission each year, is being drafted as the result of interactions among all stakeholders identified in the framework.

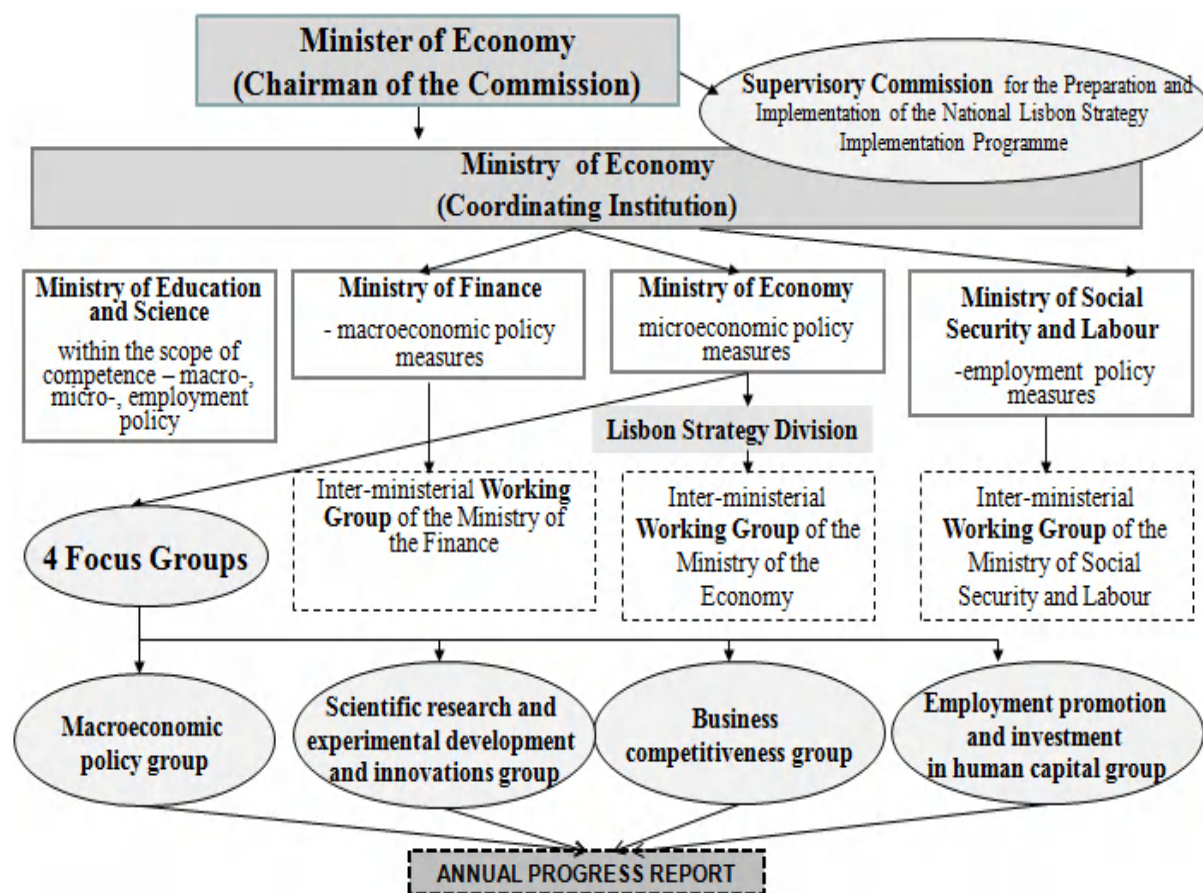


Fig. 4. Structure of the Implementation and Monitoring of the National Lisbon Strategy Implementation Programme
Source: The Ministry of Economy 2008.

The European Commission (2007) evaluated this framework as an example of good practice for other MSs. However, formal arrangements and frameworks do not necessary guarantee effective implementation processes, which would result into real policy changes in practice. Even more, too big bureaucratization of the implementation process can create problems, which are discussed further. It is necessary to understand contextual issues and practical obstacles, which affected the implementation process of the LS in the national context.

3.3. Implementation Problems

According to the Lisbon Review, published by the World Economic Forum every two years, Lithuania was ranked No.20 among the EU 27 in 2010 and No.19 in 2008 in the progress made in implementing the goals of the LS. This evaluation demonstrates quite poor results for Lithuania in many policy fields, comparing it with other MSs (see more the appendix 2, on page 41). However, the success or failure of the Lisbon Strategy at the national level can be evaluated not only according to the achievement of quantitative goals but also according to the effectiveness of the implementation process, which was named a missing link of policy analysis in the first chapter of this paper.

According to Nakrošis and Barcevičius (2007), the NLSIP for 2005-2007 could not be called neither very ambitious, nor reformist due to many reasons. First, the political-economic situation played an important role when drafting this programme, because Lithuanian economy was fast growing and the Government did not see the necessity to introduce drastic reforms. Secondly, there was lack of time to discuss all possible initiatives and the programme was drafted hastily. One more factor, identified by authors was the fact, that the NLSIP had an ambiguous status in the Lithuanian legal system as it was one of many strategic documents and combined measures from other national documents. In order to understand the context of national documents, it is necessary to present briefly the strategic planning system, which was introduced in Lithuania since 1999, with a goal to improve the decision-making processes and public governance.

The strategic planning system consists of many interrelated strategic documents, which are divided into long-term, medium-term and short-term documents (see Fig. 5 below). The most important long-term document in the strategic planning system of Lithuania is the Long-Term Development Strategy of the State, and all other strategic documents need to

correspond to it. In addition, the strategic planning system is highly formalized and requires a lot of reporting, which creates a big workload for responsible civil servants. In this context, the problem with the NLSIP for 2005-2007 was that it could not fit properly into the national legal system of other important strategic documents and its status was unclear (see Fig. 5 below). The situation, however, formally changed when the NLSIP for 2008-2010 was approved (The Government of the Republic of Lithuania, Official Gazette 2008, No. 124-4718) as a medium-term strategic planning document. Even though, the NLSIP is not the most important strategic document relying on the implementation capacities by institutions involved.

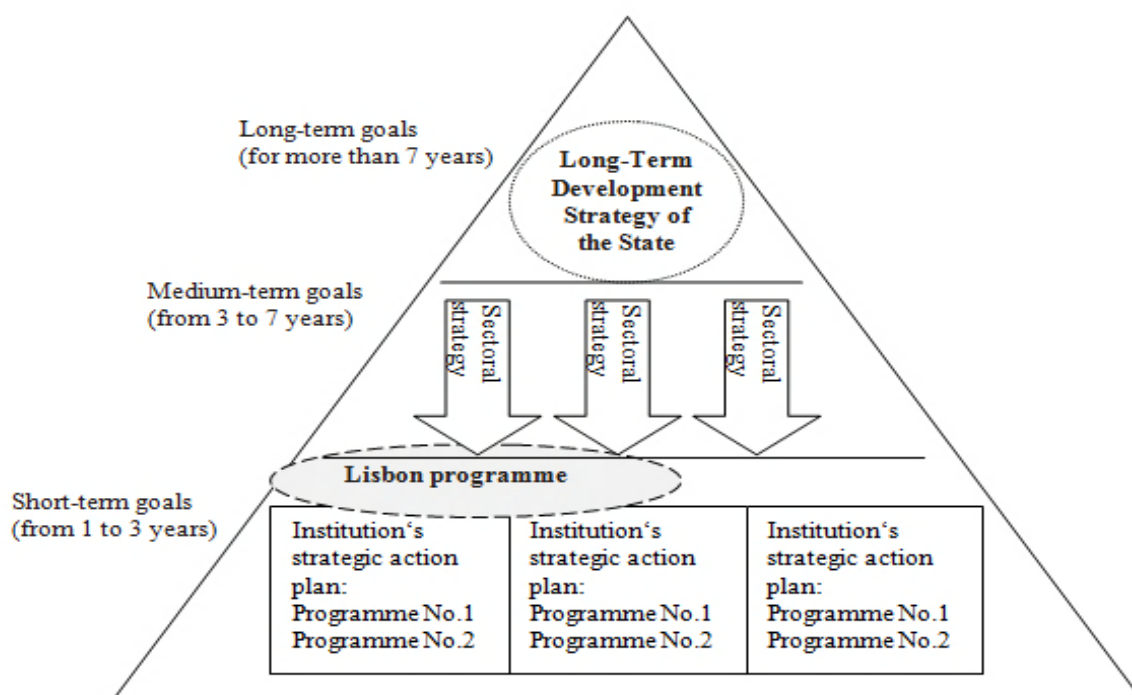


Fig. 5. Strategic Planning System and the Lisbon Programme

Source: adapted from Public Policy and Management Institute 2006 and The Government of the Republic of Lithuania. Official Gazette 2002, No. 57-2312.

In addition to formal settings, the implementation of the Lisbon Strategy requires the administrative and horizontal coordination capacities at the national level, which are related to human resources in public institutions and their abilities to perform tasks assigned properly

and on time. A general problem of the administrative culture in Lithuania is the tradition of various state institutions to act in their defined fields with little horizontal cooperation with other institutions (Nakrošis and Barcevičius 2007, 104). In addition, usually civil servants, responsible for the implementation of the NLSIP in various state institutions are responsible for many other tasks at the same time as well, and face a big workload. As the survey of institutions involved in Lisbon processes (Public Policy and Management Institute 2006) showed, main problems were related to the big workload, insufficient participation in the process by other institutions, insufficient political support, and the short time for drafting programme measures. The problem of administrative capacities in the national public administration system therefore undermined the effectiveness of the NLSIP implementation.

The lack of the political support and attention to the national Lisbon programme is illustrated by the fact that the Government without direct participation of the national Parliament hastily approved the NLSIP, which consisted of many instrumental measures (Nakrošis and Barcevičius 2007, 87). As it can be seen from the NLSIP implementation structure in the Fig. 4 (on page 29), the Parliament as a body is not involved in the NLSIP coordination and implementation, except several members of the Parliament who are participating in focus groups. As the research on the parliamentary control of the EU issues showed (Ilakytė 2009), this participation is very formal and fragmentary. On the other hand, it is the result of the structural problem in Lithuania, emphasized by this research, that despite the fact, that institutional mechanisms are set for the Parliament's participation in the EU related processes, the Parliament's actual involvement is formal and limited due to the lack of interest and informal power relations between the executive and legislative branches.

In addition, the fact that the coordination of NLSIP was assigned to the MoE and not to the Government, also demonstrates the lack of the highest level political support for this programme. There was a hope for changes, when the 14th Government of Lithuania was

approved in 2006. The new Government in its programme (Seimas of The Republic of Lithuania 2006) announced a goal to continue the implementation of the LS by increasing investment into science and fostering development of information technologies. It seems, however, that the political rhetoric did not translate into noticeable changes in the NLSIP implementation process practically. The main goal of the newly approved 15th Government of Lithuania at the end of 2008 became to cope with the financial and economic crisis in a country, while the importance of the LS implementation was not mentioned in its programme.

On the other hand, there were efforts made to strengthen the political supervision of the NLSIP implementation process since 2009. The MoE was assigned responsible for notifying the Government of the Republic of Lithuania about the progress of the implementation of the NLSIP each quarter of the year. In addition, since 2009 each institution, responsible for the implementation of the NLSIP, was assigned to report to the MoE on the implementation progress after each quarter of the year (The Government of the Republic of Lithuania 2008). It was also planned to introduce new web-based coordinating of the implementation measures since 2009 but because of the economic crisis, the implementation of this measure was suspended.

The strengthened supervision of the NLSIP implementation does not seem, however, to have contributed greatly to the improvement of the implementation process. This fact was admitted in the Supervisory Commission's meeting in February 2009 (The Ministry of Economy of the Republic of Lithuania 2009), where the problem of too much reporting, which does not ensure faster and more effective implementation of programme measures, was emphasized. The workload for civil servants increased significantly as there is an overlap between reporting to the MoE and to the European Commission. Most importantly, the Supervisory Commission highlighted that the National Reform Programme does not provide the political attitude towards the Lisbon Strategy, there are no comprehensive political

priorities and while broad objectives are identified, some of the measures to achieve them are very abstract (The Ministry of Economy of the Republic of Lithuania 2009).

In reaction to the problems of political ownership, the Office of the Government in November 2009 submitted a proposal to take over the coordination process from the MoE and to lessen the administrative burden of reporting. However, after negative responses from stakeholders this proposal was withdrawn in January 2010. Thus, it is likely, that the coordination, implementation and monitoring structure as well as responsibilities of bodies of the new strategy in the next period will be revised.

3.4. Impact of the Lisbon Programme

National Lisbon policy formulation has faced similar problems, which were identified and the EU level – lack of prioritization, the wide participation which resulted into a big scope of the program. The attitude to processes related to it was rather formal, regarding the Lisbon program as a technical reporting to the EU. Moreover, the MoE did not have enough resources and political power to act as a strong leader and coordinator. Whereas, the national Government is always concerned first with implementing its political programme while some external programmes are of second importance.

It seems that the NLSIP brought more confusion in the Lithuanian context and was not used as an opportunity to initiate and to implement strategic reforms. This passivity can be related to the fact that the LS did not provide strong initiatives for Lithuania to engage seriously in this process. It is interesting that in Lithuania all successful reforms were introduced after certain policy failures or because of external requirements (Nakrošis 2008, 92). Indeed, many important reforms were implemented in the pre-accession period due to conditional EU policy for candidate countries. Whereas, the Lisbon Strategy implementation relied on national level resources, capacities and political will to engage effectively in the

process. Moreover Commission's Integrated Guidelines did not provide effective guidance and did not help national leaders to shape reforms.

As regards learning from others, as the most important tool of the OMC, it was quite limited in Lithuanian case due to the problem of administrative capacities in Lithuania. As Nakrošis and Vilpišauskas (2007, 55) emphasize, only limited number of civil servants, who had a big workload, were involved in learning process at the EU level. The biggest problem was that the learning experiences were not transferred among other domestic institutions and that created big obstacles for spreading information about good practices. The impact of the peer pressure as well as of the OMC tools in general, according to authors, was also limited in Lithuania. It is worth mentioning that the role of learning from EU level, which resulted into good practice examples in Lithuania both at the systematic and institutional levels, was much stronger in the pre-accession period (Nakrošis and Varkojūtė 2008, 206) than in post-accession participation in the OMC.

On the other hand, Lithuania's participation in the Lisbon process brought some kind of learning, which can be called organizational learning, according to May's (1992) classification, presented in the first chapter. As positive impacts of Lithuania's participation in OMC processes were strengthened institutional arrangements in terms of creating new institutions, working groups, divisions and improving the strategic planning capacities, increased partnership with various public stakeholders (Nakrošis and Vilpišauskas 2007, 62-63). Such changes demonstrate the bureaucratic level improvements, which do not necessarily lead to the implementation of better policies. For example, the research in the field (Laurinavičiūtė 2008) shows that the increased participation in OMC processes, however, was not effective enough (in case of employment and social inclusion OMCs) because public stakeholders were only formally involved in the policy formulation and supervision stages and hardly made real influence in the implementation stage. These experiences demonstrate

that it is hard to avoid path dependences in the national public policy making and to achieve real changes by soft coordination tools.

In addition, the impact of changing external conditions (which are shown in the analytical model, see Fig. 2, page 11) cannot be denied. The economic situation became probably the most important factor, affecting the national policy since late 2008. The economic situation in Lithuania has changed drastically comparing to 2005 when the NLSIP for 2005-2007 was drafted. Especially a huge problem became the economic downturn and structural unemployment (see more table 1 below). Now the governance reforms are initiated and implemented by the Government due to need to cut spending and to increase the public sector efficiency. The economic crisis therefore acts as a very strong external and internal motivator for the Government of Lithuania to implement pending reforms. In comparison, the LS launched at the EU level was not able to act as such motivator in Lithuanian context and to force decision makers to initiate necessary reforms.

Table 1. Macroeconomic data in Lithuania in the period of 2005-2010.

	2005	2006	2007	2008	2009
GDP growth (percentage)	7,8	7,8	9,9	2,8	-14,8
Average annual inflation (percentage)	2,7	3,7	5,7	10,9	4,5
Government sector deficit (as percentage of the GDP)	-0,5	-0,4	-1,0	-3,3	-8,9
Unemployment level (percentage)	8,3	5,6	4,3	5,8	13,7

Source: data from the Department of Statistics to the Government of the Republic of Lithuania www.stat.gov.lt

To sum up, Lithuania's involvement and participation in the Lisbon OMC processes was relatively ineffective and problematic. The biggest reason for that was the fact that Lithuania was mostly concerned with the formal reporting on the progress made rather than with the real active involvement in Lisbon processes (Nakrošis and Varkojūtė 2005, 191).

Most importantly, there was no a strong political support for the Lisbon strategy implementation as this strategy was not regarded as an important national priority.

CONCLUSION

This paper has provided a comprehensive analysis of the LS and factors, which affected its implementation processes to certain extent. Based on the results of the analysis, certain conclusions can be drawn.

First, the strategy was a unique European initiative, which design and scope were determined by various external and internal challenges, and influenced by particular conditions that prevailed in the late 1990s. The broadness of the scope, the lack of prioritization, the vagueness of the governance structure and policy instruments were main top-down level factors, which led to the ineffective implementation of the initial strategy and the need to revise all LS. The re-launched strategy in 2005 overcame major weaknesses of its design and created conditions for better implementation process. The EU level therefore demonstrated an ability to preserve the political commitment to the LS and flexibility to adapt to new challenges that emerged over time.

The effectiveness of soft governance, however, does not depend solely on the top level but relies a great deal on the lower level. If there is a low degree of pressure from the EU, the performance of MSs becomes a crucial factor, determining final policy results. The analysis of the Lithuanian case demonstrated how the national level can respond to European initiatives in a very different way than intended at the EU level. The major problem of Lithuanian national Lisbon programme was the absence of ownership and political commitment to its goals, which lasted from the very beginning throughout the whole period.

In addition, the broad scope, ambiguous implementation measures, lack of administrative capacities, unclear status of the programme in the national legal system created a confusion and additional burden for national administrators. The implementation of this

programme became a bureaucratic procedure, necessary for drafting reports for Brussels but hardly for solving internal national problems. Moreover, the impact of OMC to the national policy-making was weak. It can be stated that Lithuania was not able and did not have capacities to use the flexibility offered by soft governance for own national benefits. Consequently, it contributed to the less effective implementation of the overall strategy.

Supranational policies, which aim to solve problems, not that relevant in a particular national level have dubious chances to succeed. In such cases, well-defined structures and policy implementation procedures become irrelevant if there is no commitment and ownership at the lower level. Consequently, the implementation of such international policies becomes less effective, leads to ambiguous results and creates huge obstacles for achieving common goals.

Despite the fact that such broad initiatives at the EU can hardly achieve tangible results, it cannot be denied, that implementation of them leads to some less noticeable results such as Europeanization of national policies and deeper integration through learning processes. As Radaelli (2008, 240) points out, learning processes have potential to create “learning-based Europeanization”, which might be achieved by such processes as “learning by socialization”, “learning by monitoring”, “learning by arguing and persuasion” which finally may lead to the re-orientation of policies and paradigms.

Appendices

Appendix 1. Lisbon Scores: Comparing the EU with the United States and East Asia

Lisbon Dimension	EU 27 average	United States	East Asia
1. Information society	4.73	5.79	5.56
2. Innovation and R&D	4.23	6.03	5.24
3. Liberalization	4.80	5.05	5.10
4. Network industries	5.39	5.73	6.06
Telecommunications	5.62	5.54	5.89
Utilities and transport	5.16	5.91	6.24
5. Financial services	5.05	5.22	5.41
6. Enterprise	4.60	5.07	5.17
Business start-up environment	4.80	5.31	5.14
Regulatory environment	4.41	4.83	5.20
7. Social inclusion	4.51	4.71	4.93
Returning people to the workforce	4.97	5.39	5.41
Upgrading skills	4.47	5.09	5.09
Modernising social protection	4.10	3.66	4.30
8. Sustainable development	5.16	4.59	4.74
Final Index Score	4.81	5.27	5.28

Source: World Economic Forum. 2010. *The Lisbon Review 2010: Towards a More Competitive Europe?* Geneva, Switzerland.

<http://www.weforum.org/pdf/Gcr/LisbonReview/TheLisbonReview2010.pdf>

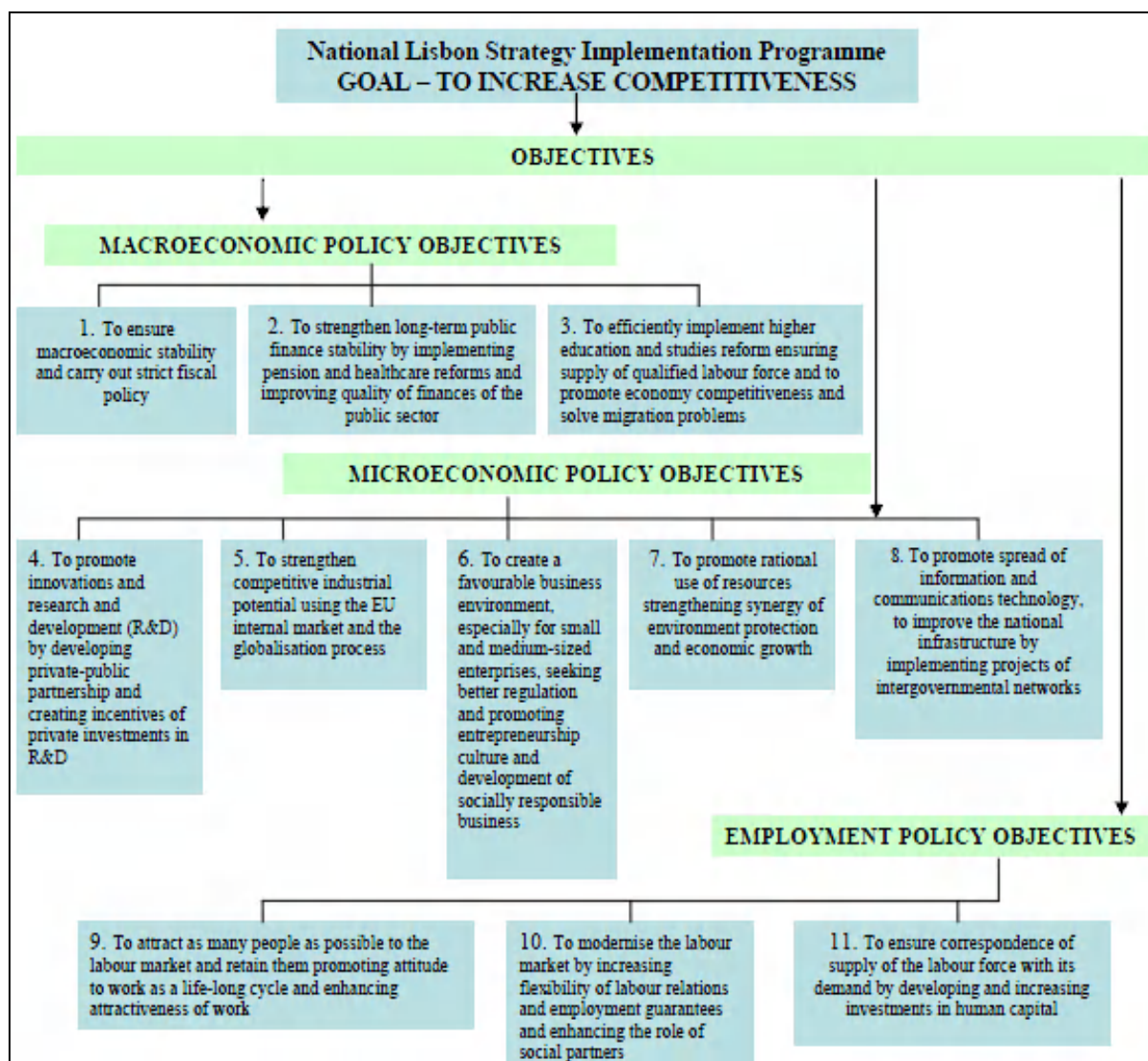
Appendix 2. Rankings and Scores of EU Countries

Final Index			Subindexes															
			Information Society		Innovation and R&D		Liberalization		Network Industries		Financial Services		Enterprise Environment		Social Inclusion		Sustainable Development	
Economy	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Sweden	1	5.83	1	6.20	2	5.64	1	5.55	2	6.19	1	5.93	4	5.15	3	5.42	1	6.57
Finland	2	5.72	5	5.51	1	6.12	7	5.26	8	5.96	3	5.86	2	5.27	2	5.59	3	6.19
Denmark	3	5.61	3	5.74	3	5.33	5	5.39	4	6.09	6	5.60	7	5.05	1	5.64	5	6.07
Netherlands	4	5.51	2	5.81	5	4.94	2	5.54	7	5.98	7	5.54	6	5.06	4	5.31	6	5.91
Luxembourg	5	5.43	7	5.43	12	4.17	6	5.29	5	6.08	2	5.90	1	5.43	5	5.31	7	5.87
Germany	6	5.39	9	5.27	4	5.10	4	5.39	1	6.49	9	5.36	17	4.50	9	4.85	2	6.19
Austria	7	5.39	6	5.45	8	4.65	3	5.42	6	6.08	4	5.70	10	4.79	8	4.91	4	6.14
France	8	5.22	10	5.21	9	4.62	11	5.10	3	6.17	5	5.61	12	4.78	13	4.71	9	5.54
United Kingdom	9	5.15	4	5.61	7	4.71	10	5.12	9	5.77	14	5.10	11	4.78	14	4.61	10	5.48
Belgium	10	5.15	14	4.71	6	4.78	8	5.22	11	5.76	11	5.28	8	4.88	6	5.08	11	5.46
Ireland	11	5.00	13	4.78	10	4.47	9	5.20	18	5.24	17	4.87	5	5.08	11	4.72	8	5.64
Estonia	12	4.96	8	5.33	14	3.99	14	4.84	13	5.47	10	5.33	3	5.17	16	4.47	14	5.07
Cyprus	13	4.83	16	4.44	21	3.71	13	4.91	10	5.76	12	5.28	13	4.73	7	5.03	18	4.77
Slovenia	14	4.79	12	4.84	11	4.28	18	4.49	15	5.37	19	4.75	15	4.61	15	4.56	12	5.43
Czech Republic	15	4.71	17	4.43	13	4.02	12	4.96	20	5.11	15	5.00	19	4.47	10	4.73	16	4.96
Portugal	16	4.70	15	4.64	16	3.92	19	4.47	12	5.69	16	4.97	16	4.50	17	4.18	13	5.20
Malta	17	4.58	11	5.15	23	3.50	16	4.73	16	5.30	8	5.49	23	3.99	12	4.71	27	3.80
Spain	18	4.53	20	4.21	15	3.93	15	4.73	14	5.37	13	5.10	25	3.94	21	3.92	15	5.06
Slovak Republic	19	4.45	18	4.42	25	3.46	17	4.70	23	4.64	20	4.75	9	4.81	18	3.98	17	4.86
Lithuania	20	4.39	19	4.38	20	3.76	24	4.15	19	5.11	21	4.58	18	4.49	20	3.93	19	4.73
Hungary	21	4.28	22	4.12	18	3.79	21	4.35	21	4.85	23	4.42	20	4.40	23	3.79	22	4.50
Latvia	22	4.21	21	4.15	24	3.48	22	4.21	24	4.57	26	4.27	14	4.72	26	3.61	20	4.68
Greece	23	4.18	25	3.55	17	3.81	25	4.10	17	5.25	18	4.81	26	3.62	24	3.75	21	4.54
Poland	24	4.07	26	3.50	22	3.64	20	4.44	26	4.12	22	4.46	24	3.95	19	3.96	23	4.49
Italy	25	4.03	23	3.74	19	3.78	23	4.16	22	4.81	24	4.31	27	3.54	25	3.64	24	4.28
Romania	26	3.96	27	3.48	26	3.37	26	4.04	27	4.05	25	4.30	21	4.38	22	3.89	25	4.19
Bulgaria	27	3.77	24	3.63	27	3.12	27	3.82	25	4.23	27	3.80	22	4.22	27	3.55	26	3.82
EU 27	-	4.81	-	4.73	-	4.23	-	4.80	-	5.39	-	5.05	-	4.60	-	4.51	-	5.16
United States	-	5.27	-	5.79	-	6.03	-	5.05	-	5.73	-	5.22	-	5.07	-	4.71	-	4.59
East Asia	-	5.28	-	5.56	-	5.24	-	5.10	-	6.06	-	5.41	-	5.17	-	4.93	-	4.74

Source: World Economic Forum. 2010. *The Lisbon Review 2010: Towards a More Competitive Europe?* Geneva, Switzerland.

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Appendix 3. National Lisbon Strategy Implementation Programme 2008-2010



Source : The Government of the Republic of Lithuania. 2008. *National Lisbon Strategy Implementation Programme for 2008-2010*.

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