Choosing channels. Intra-state and extra-state strategies of Belgian sub-national authorities in response to the European Semester

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Abstract

Europeanization literature discussing how subnational authorities try to influence EU legislation has found that, in general, subnational authorities prefer to address the EU through the central level. Only economically strong regions and regions that are eager to present to themselves at the EU-scene, additionally engage in direct contacts with EU-level. This paper seeks confirmation of these strategies in the non-legislative domain of the European Semester. With respect to the Belgian case, it finds that subnational authorities in general choose the cooperative intra-state channels, while especially Flanders, the most prosperous and identity prone region, also invests in extra-state strategies towards the EU institutions, hence confirming earlier findings regarding the legislative domain.
Introduction: Europeanization of Intergovernmental Relations

The European Union (EU) is a political system generating policy outputs which affect political life in its member states. This rather trivial empirical observation has triggered a whole research agenda in political science, commonly labeled as Europeanization (Featherstone and Radaelli 2003; Graziano and Vink 2006; Bulmer and Lequesne 2012; Börzel and Panke 2016). Europeanization research assumes effects of various dimensions of European integration on a variety of member states’ features. The national recipients of European pressure are often defined in three categories: effects on member states’ policies or compliance and non-compliance of EU rules by member states (see Treib 2014), on politics, i.e. adaptation of domestic political actors such as political parties and interest groups to the multi-level structure of the EU (see Ladrech 2012; Saurugger 2012) and on the polity, i.e. changes in domestic constitutional and institutional design (see Kassim 2012). Examples of the polity effects include not only adaptation of institutions such as parliaments and courts but also shifts in the power relations between executive and legislative institutions or changes in the intergovernmental relations between different levels of government. The latter refers inter alia to questions such as whether and how European integration alters the way subnational authorities deal with national level institutions when confronted with EU policies and what this entails for the strategies of and power balance between the national and the subnational levels.

The literature discussing the effects of European integration on subnational authorities has not come to univocal conclusions. In an overview article Bursens (2012) concludes that the EU has a differential impact on subnational authorities due to the varying way in which domestic institutions enable these authorities to deal with the impact of the EU. In general, regional authorities that are endowed with a strong internal position are generally able to strengthen this position by making strategic use of the EU context. Recent literature hence confirms earlier findings that, by strategically dealing with the EU, strong constitutional regions have strengthened their position vis-à-vis the federal level (Kassim 2012).
Also in terms of intergovernmental relations within member states, authors find different effects. Jeffery (2003) finds that German cooperative federalism is under increasing pressure from the EU, indicating that Länder use additional direct channels to influence EU policies. Börzel (1999) and later also Colino et al. (2014) on the other hand, argue that Spain evolved from competitive federalism to cooperative federalism because the EU pressured the Comunidades Autonomas to cooperate and to intensify horizontal and vertical coordination mechanisms. Both studies refer to national institutional and constitutional provisions to explain how the effects of the EU play out. Summing up conclusions from a Regional and Federal Studies special issue, Swenden and Bolleyer (2014) more recently find that, in terms of strategies, subnational authorities primarily seek access to the EU via the member state level, while regions with a high level of authority additionally engage in unmediated and direct strategies towards the EU.

With respect to Belgium, Beyers and Bursens (2007, 2013) even show divergent Europeanization effects within one member state. On the one hand, they report the institutionalization of internal cooperation mechanisms and a clear survival (yet transformation) of the federal level in order to cope with EU legislative and policy-making processes. This finding shows that even subnational authorities that are endowed with a high level autonomy primarily turn towards intra-state strategies to cope with the EU environment. On the other hand, however, they also find that the economically stronger region (Flanders) simultaneously pushes for further decentralization arguing that more autonomy is necessary to remain competitive within the European single market. Most Flemish political elites for instance are in favor of regional fiscal autonomy in order to lower company taxes and offer companies competitive advantages in the single market. One way to express this autonomy is to invest in direct contacts with the EU level, on top of the intra-state coordination mechanisms.

Recent research on the Europeanization of intergovernmental relations has focused on the (absence of) coordination with respect to EU legislative procedures (Tatham 2016; Van Hecke 2016). However, EU policies are increasingly conceived by other instruments than legislation: think of European Council intergovernmental decision-making, delegated acts and decisions of executive institutions and agencies, and different types of soft law / open
methods of coordination, while the better regulation agenda of the Juncker Commission produces a shrinking amount of legislation. This paper focuses on the European Semester which has become a core dimension of EU policy-making activities. The European Semester is the yearly cycle used by the member states of the EU and the EU institutions to coordinate national economic and fiscal policies. It deals with structural reforms to stimulate growth as envisaged in the Europe 2020 strategy, through macro-economic stability to prevent excessive imbalances and through the monitoring of national budgets to bring budget deficits and public debts in line with the provisions of the Stability and Growth Pact. The European Semester is particularly relevant for subnational authorities as it touches heavily upon their competences, such as education, research and development, welfare, labor market and others.

The Europeanization literature mainly devotes attention to the European Semester in terms of how policies in specific areas change (but Zeitlin and Vanhercke 2015). Also the research on the Europeanization of the Belgian federation has largely overlooked non-legislative procedures (with the exception of Bonne and De Blauwer 2012; De Blauwer 2014; Maes and Bursens 2015). In contrast, this contribution examines the effects of the European Semester on intergovernmental relations within the Belgian federation. As the European Semester touches upon competences that are either regional or mixed within Belgium, this paper will contribute to a more complete understanding of how the EU affects Belgian politics in general and domestic intergovernmental relations in particular.

2 Choosing Intra-State or Extra-State Channels?

Subnational authorities of EU member states are confronted with the effects of EU policies. Whether these come in binding laws or in coordinating efforts, EU policies decrease the autonomy of subnational authorities. What regions themselves took away from the national level is also increasingly being taken away from them by the European level. First through legislation and more recently also through the European Semester, the EU narrows down regional policy scope and decreases the availability of regional policy instruments. At the same time, the European Semester also offers opportunities for subnational authorities as they can strategically use the European recommendations to push their regional agendas in
the national arena. The Europe 2020 strategy’s focus on smart, sustainable and inclusive growth entails a set of economic, social and environmental policies that quite often fall within the regional competences. As is the case with EU laws, however, subnational authorities are largely excluded from formal EU decision-making arenas that matter for European Semester policies. Subnational authorities enjoy no formal access to the European Commission nor its committees, while the Council of Ministers and the European Council are composed by representatives of the member states (who can be affiliated to subnational authorities, but must always defend the member state positions). In short, while subnational authorities are struggling to formally participate in the upstream stages of the European Semester, they are confronted with the EU output as they are supposed to adapt their regional economic, social and environmental policies.

The question then becomes how subnational authorities react to this. Swenden and Bolleyer (2014) for instance report that regions have become more Eurosceptic as they find out that member states remain key players while regions are increasingly targeted. Our focus here is not on the effect on attitudes, but on how this affects regional strategies. Will regions turn to intra-state routes towards the EU or rather to direct access strategies, or to both and what conditions shape these options? In other words, what is the effect of the European Semester on internal intergovernmental relations? Under what circumstances does the European Semester trigger cooperative or competitive strategies? Does the response to the European Semester follow the logic of dealing with legislation or not? This paper does not look at policy content, i.e. to whether and to what extent member states or regions comply with European Semester targets, nor does it examine the position of regions towards the EU. The focus is on how regions strategically deal with the European Semester.

What are the distinguishing features of the European Semester compared to legislation? First of all, pressure to comply differs. Due to the supremacy of EU law, EU directives and regulations must be implemented and applied by member states. Depending on the internal division of competencies lower levels of government may be the implementing actors. In case of non-compliance (by whichever level), the Commission can initiate infringement procedures which can ultimately result in a Court of Justice decision imposing financial penalties upon the member states. The situation regarding the European Semester is more
complicated. Firstly, the recommendations in the framework of the Europe 2020 Strategy and the Stability and Growth Pact are translated in Country Specific Recommendations to be followed by National Reform Programs in which the Member States indicate how they intend to adapt their policies. The European Commission monitors the implementation through bilateral talks/meetings with the member states. No legal sanctioning is envisaged (e.g. ‘comply or explain’ in case of the country specific recommendations), member states only face political pressure (e.g. ‘name, shame and blame’ in the Europe 2020 strategy) in case of insufficient compliance. Regarding budgeting objectives (and in theory also regarding the macro-economic imbalances), however, surveillance and sanctioning is much more binding as this is backed up by the ‘six-pack’ (and ‘two-pack’ for Eurozone states) legislation, enabling the Council to impose financial penalties (even by reversed qualified majority) and by the Treaty on Stability, Coordination and Governance, ratified by 25 member states.

Secondly, time constraints are higher in case of the recurring and consecutive deadlines of the yearly cycle of the European Semester, as compared to legislative agendas which can take longer, both in the decision-making and implementation stages.

Next, most Member States have been socialized for decades in the supranational legislative procedures, which means that they all have highly institutionalized coordination mechanisms in place to prepare and implement EU laws. Also subnational authorities have had ample time to organize their participation in EU law-making and implement direct and indirect strategies to do so. The European Semester has been installed more recently, hence coping strategies are still less institutionalized (Bekker 2015).

Fourthly, the latter also has repercussions on the involvement of parliaments. While there is substantial variation in scrutiny of national and regional parliaments (Auel et al. 2015; Abels and Eppler 2016), all member states have installed procedures to scrutinize EU legislative proposals. These are not necessarily applied to monitor the European Semester (Hallerberg et al. 2011).

Fifthly, the type of policy areas covered by legislation and the European Semester varies substantially: while legislation covers more technical issues (such as norms and standards), the European Semester deals with more politically salient and controversial issues (budget, taxes, redistributive policies, labor market policies...), the latter making it more difficult for member state authorities to reach a consensual position, especially when one level of government considers the issue of crucial interest. The increased information exchange
between the Commission and the member states (including the regional level) through bilateral talks and fact finding missions, has exposed all governmental levels to the European authorities. Related to all this is the observation that the European Semester has become more politicized in recent years as it has evolved into ‘Chefsache’, attracting the attention of the European Council and shedding light on politically delicate recommendations. Finally, also the way the corresponding national competences are allocated internally, affects strategies of subnational actors as mixed competences necessitate horizontal and vertical collaboration among government levels in order to formulate and represent one single position at the European level. The European Semester is exemplary in terms of covering policy areas that are spread over governmental levels in decentralized and federal member states.

Given all this, what kind of strategies can we expect from subnational authorities regarding the European Semester? Does their approach towards the European Semester follow the coordinating logic of responding to legislation or the competitive logic of dealing with policy issues in the realm of economic integration? Or, in other words, when and under what conditions can we expect intra-state or extra-state strategies to be used by Belgian subnational authorities?

In order to contextualize our expectations, we briefly recall some key features of Belgian federalism (for full details see Deschouwer 2012). Belgium is generally characterized as an example of competitive federalism, composed of a (double) subnational level that enjoys exclusive legislative and executive powers within its respective jurisdictions. Belgian elites are not expected to cooperate or to seek common solutions as the federalization process was and is explicitly designed to give subnational levels a high degree of policy autonomy. The rather unique in foro interno, in foro externo principle is illustrative in this respect as it grants all governmental levels (federal and regional) the right to conduct foreign policies in those areas they have domestic competence. While this may clearly seem bound to trigger competitive behavior, such an expectation is tempered by other features of Belgian federalism as well as by rules enshrined in the EU Treaty. Most competences are split between the federal and the regional level, meaning that often dimensions of a single policy belong to regional powers, while others belong to the federal level, calling for vertical
coordination. In addition, those powers that belong to the regional level belong to all regional levels, necessitating also horizontal coordination. This is highly relevant as the EU demands member states to have one single position and to speak with one voice in the intergovernmental institutions. EU requirements push all Belgian governmental levels towards cooperative intergovernmental relations if they aspire to be effective players in the European arena. Exploiting the indirect intra-state channels is therefore the rational option for subnational authorities, although this choice is increasingly under pressure to the extent that (some) subnational authorities seek to be competitive in the EU context. This tension has been confirmed by empirical findings in many cases of EU legislation (Beyers and Bursens 2007, 2013, Happaerts et al. 2012).

We don’t expect Belgian subnational authorities to behave very different from the legislative context when acting in the context of the European Semester. The variation described above doesn’t change in terms of the European requirements. On the contrary, the European Semester is even more intergovernmental than the legislative process, hence making the role of the member states relatively more important, putting even more pressure on internal coordination. Therefore, we see no arguments to expect subnational authorities to behave significantly different in dealing with legislation or dealing with the European Semester. Cole et al (2015) even argue that the European Semester should be characterized by tighter central control and enhanced instruments of central steering as these policies, although not governed by binding legislation, belong to the core of European policies.

Nevertheless, we see one important distinctive feature of the European Semester that may trigger a different approach between different types of regions. More in particular we expect regions which explicitly aspire more autonomy to promote their regional identity and to safeguard their strong economic position to complement the intra-state strategies more with extra state strategies than regions that have a weaker autonomy and are less interested in international exposure. Such strong regions will also use extra state strategies in the case of the European Semester as some of its features invite them to do so, especially regarding Europe 2020 issues, a subset of the European Semester. This procedure triggers them to look for unmediated access as this is relatively harmless in absence of Court of Justice jurisdiction. The fact that the Belgian Cooperation Agreement for the coordination of Council
positions doesn’t explicitly mention the European Semester gives regions an additional opening to explore and use extra state routes on top of the well-known intra state coordination mechanisms. Also, national and regional parliaments primarily focus on legislation and are less involved in the European Semester (Auel et al. 2015; Abels and Eppler 2016) - although there is some variation, hence creating an environment in which regional executives have more freedom to go solo. The content of economic governance is of crucial salience for strong regions, it gives them the opportunity to get exposure on a theme they want to be associated with. One last argument is that strong regions may be dissatisfied with the increasingly burdensome coordination mechanisms used to deal with EU legislation and may want to try something additional in the different context of the European Semester.

Concluding, we expect Belgian subnational authorities’ strategies to behave rather similar in the European Semester context as compared to the legislative context: in order to take effectively part in the EU decision-making process, they will largely copy the way they deal with legislation and opt primarily for the intra-state route. However, as some parts of the European Semester are less binding, have at the same time an interesting content for exposure and are considered to be of strategic importance to safeguard competitiveness, especially economically strong regions which aspire more autonomy will complement the intra-state route with extra-state strategies.

The analysis in the following paragraphs is based on documents from European, national and subnational institutions, plus findings based on intensive participation in the European Semester policy cycle by one of the authors (see also De Blauwer 2016).

3 Conditions for Intra-State and Extra-State Channels

The European Semester is a yearly policy cycle with 4 stages. In the first (November-December), the European Commission drafts the Annual Growth Survey (discussing the general economic situation of the EU), the Alert Mechanism Report (detecting macro-economic imbalances) and – for the Eurozone – budgetary recommendations. In stage 2
(January – March), the Council discusses these reports and the European Commission publishes the Country Reports. During stage 3 the member states – in response to the Commission reports – present their national reform programs and stability and convergence programs (April) followed by an analysis and country specific recommendations (CSRs) drafted by the Commission (May), and in the end adopted by the Council (June-July). Finally, in stage 4 (August – October), which can also be regarded as the National Semester, the member states implement the recommendations and draft their annual budgets taking into account the comments of the European institutions.

The National Semester obviously takes place at the member state level. Of interest to us here, however, is the way member states cope with the European stages of the European Semester. These can be compared with the upload and download stages of the EU legislative cycle.

From November to July, European institutions and Member States authorities have several formal contacts. Member states and Commission usually hold two formal bilateral meetings. The Belgian national delegation to these meetings is composed of political aids (members of the ministerial cabinets) of the prime ministers of the federal government and all regional governments. On the agenda of these meetings are the implementation of the previous year’s CSRs (fall meeting) and the new Country Report (spring meeting). Input for these meetings is coordinated by the federal prime minister and includes concerns and input from all government levels. In between these meetings, the European Commission organizes a Fact Finding Mission (FFM) and the opportunity for the member states to comment on the draft Country Report. The Belgian reply for the draft report is also coordinated among the federal government and the governments of the Regions and the Communities. In addition, and to stress the political relevance of the European Semester, the Juncker Commissioner has initiated high level political involvement by means of a meeting between a member of the European Commission and all the Belgian prime ministers. From February to April the focus lies on the drafting of the National Reform Programs (NRPs) and the stability and Convergence Programs (SCPs). The Belgian National Reform Program is prepared by a committee of representatives from the relevant administrations of all levels (the so-called Drafting Committee or DC) and adopted by a committee of political aides from the involved
ministers, also of all levels (the Policy Monitoring Committee or PMC). The ultimate approval of the programs is tabled at a meeting of the Concertation Committee (Comité de Concertation / Overlegcomité), the highest political coordinating body, composed of all the Belgian prime ministers. Finally, the drafting of amendments to the CSRs (May) is equally organized in coordination meetings by the aides of all involved ministers of all levels.

This concise description of the formal process already indicates that Belgian subnational authorities are formally part of the Belgian coordination procedure. But how do subnational authorities engage more in detail with the EU during these months, when do they engage in formal and informal intra-state or extra-state routes?

3.1 Intra-State Channels

The coordination of European policy-making in Belgium is regulated by the Cooperation Agreement of 1994, updated in 2003. This agreement between the federal level and the Regions and Communities prescribes the Belgian coordination procedure to reach consensus on a single Belgian position and on the delegation to represent that position in the various levels of the Council. This Agreement has been up for revision for several years, but no consensus has been found yet among the political parties that are part of the federal and subnational governments. One important incentive to reform is the that the current procedure only explicitly prescribes how to deal with EU legislation within the Council. Other institutions (such as the European Council or the European Commission) nor policy instruments (such as those related to the European Semester) are mentioned by name in this agreement. In practice, nevertheless, the procedures to deal with other EU institutions and policy instruments are copied from or inspired by the Council approach, hence involving all government levels holding competences in a particular dossier.

The Federal Government Coalition Agreement (2014-2019) for instance states that ‘the government shall make particular effort to align the policies and the positions of the government concerned at the various levels of governance in our country. This applies particularly to the National Reform Program and the interim assessment of the EU2020 strategy. The Belgian Program and the plans to be submitted shall consist of a clustering of
the federal and the federated states programmes and plans.\textsuperscript{1} Hence, also with respect to the European Semester the Directorate of European Affairs (DGE) of the Federal Ministry of Foreign Affairs plays a crucial role. DGE also met to prepare a Belgian position on the mid-term review of the ES (October 2014) and still meets each year to prepare the Spring European Council which focuses on the European Semester.

**Amending draft CSRs**

Of particular importance to member states is the phase of amending the draft Country Specific Recommendations (CSR’s). Member states can voice amendments in committees that discuss the draft CSR’s before they are adopted by the Council. In these committees, there is no participation of subnational authorities. However, Belgian Regions and Communities participate in inter-federal preparatory meetings for some of these EU level committees (especially EMCO and SPC). This practice was changed in 2015 and 2016, when the federal Prime Minister put an interfederal committee in charge of formulating amendments. As all these bodies are composed of representatives of the federal and the regional level, this is a clear illustration of how regions walk the domestic path to the EU. However, the Commission leaves very little time for member states to submit amendments, making it very hard to organize such inter-federal coordination, as also observed by Bursens et al. (2014: 178): ‘The more the EU uses severe deadlines in more policy areas (e.g. the European Semester), the more a broadly organized domestic consultation process comes under pressure’. While this may trigger subnational authorities to seek alternative routes, the Flemish government also demands changes in the Cooperation Agreement in order to exploit the intra-state route to access the European Commission more effectively. This claim has become even more salient after the latest constitutional reform which has granted the regional level more autonomy over policies that are targeted by the European Semester.

The Council meeting that discusses and adopts the CSR’s is, as all Council meetings, prepared by DGE in which regions participate intensively. In this phase, also the Belgian Permanent Representation to the EU (PR) plays a crucial role. As described elsewhere (Beyers and

\textsuperscript{1} Accord de Gouvernement / Regeerakkoord (October 9, 2014), http://www.premier.be/sites/default/files/articles/Accord_de_Gouvernement_-_Regeerakkoord.pdf
Bursens 2007; 2013), the Belgian PR hosts delegations of Regions and Communities and can be seen as another prime example of an intra-state channel for regional involvement in EU policy-making. It is interesting to note that the capacity of Flanders, being the strongest region and the most eager to expose itself, outnumbers the other regional delegations at the PR, also regarding the follow-up of the European Semester.

**Drafting the National Reform Program**

As mentioned earlier, the Belgian National Reform Program (NRP) is written by two committees: the Drafting Committee (DC) composed of officials, who actually draft the NRP; and the Policy Monitoring Committee (PMC), composed of political aides to federal and regional ministers, who eventually confirm the NRP. This double approach is quite typical for Belgian decision-making in general: officials prepare and political actors approve before the final political decision is taken by the government(s) (Deschouwer 2012). The procedure is also quite familiar in terms of Belgian EU policy-making: all Communities and Regions have a seat in the committees (Beyers and Bursens 2007; 2013). One contentious issue is the extent to which regional objectives concerning the Europe 2020-strategy should be mentioned in the NRP. Only Flanders is in favor of this. However, what happens is little more than adding up the national and regional programs, enabling each Region and Community to edit its part as it wishes. Neither committee is characterized by severe disputes as there is hardly any discussion or mutual interference regarding the contents of the Programs. In principle, the NRP needs approval of the overarching Concertation Committee, but this has been difficult because other parts of the European Semester, such as the national stability and convergence program, require intense political consultations making it very hard to meet the tight deadline of the European Commission.

Clearly, this ‘living apart together’ approach prevents lengthy discussions and therefore allows for a timely delivery of the NRP. At the same time, however, it doesn’t address the CSR remarks about the need for coordination between the different levels of government within Belgium, regarding labor market (2011), public finance competitiveness and climate (2013), the sixth state reform (2014) and research and development, education and immigration (2016).
Finally, national parliamentary involvement in the European Semester is low, and hence in line with the limited involvement in other EU policies. This is also the case for regional parliaments with the exception of the Flemish Parliament which has introduced procedures to monitor the European Semester and from which the Walloon Parliament has recently taken some inspiration. Flanders also consults extensively with social partners and other relevant stakeholders (e.g. through VLEVA).

**Bilateral meetings**

During the European Semester cycle the European Commission holds formal bilateral meetings with member states to discuss the extent that national policies are in line with European recommendations. The Belgian position for these meetings is prepared by the inter-federal PMC extended with officials from the PR. The Belgian delegation for the bilateral meetings itself is composed of PR representatives, political aides of the PM and of the Community and Region PMs. These bilateral meetings are also used by the Flemish Government to send political messages to the European Commission, especially regarding the incorporation of regional objectives in the NRPs. In recent years, however, Flanders was left rather unsatisfied by the way the Commission took these into account. Next to these formal political visits, the European Commission also organizes Fact Finding Missions at administrative level. Again, Communities and Regions take part in and even host these missions.

The described practice during the various stages of the European Semester highlight the importance of domestic channels for regions to address Europe. However, taking the intra-state route does not automatically mean the drafting of one single position. The centralizing effect of the European Semester seems to be more modest compared to the legislative procedure. The federal government and the regions are not pushed to put much effort in integrating policy positions in one message. For instance, in the case of the NRP the Belgian response is not much more than adding up the positions of all involved government levels. Clearly, the pressure to cooperate in case of the European Semester is less strong compared to EU legislation. Belgium can suffice to just add up positions as the European Semester doesn’t require defending an integrated position in the Council. What is left is an intra-state strategy without much integration.
At the same time, such a little integrated intra-state route offers some opportunities to highlight regional autonomy and policies to the European level. Especially the economically stronger and diplomatically more assertive Flemish region uses the European Semester to make clear to the Commission that it possesses substantial competences related to the ES and that it has used these successfully. To show this, Flanders incorporates its objectives in its own regional RP (while Brussels and Wallonia do not). The Flemish Government also adds (macro-economic) data to make clear that it has the capacity to collect such data. It even includes comparisons between Flanders and other EU member states, suggesting equivalence between the Region of Flanders and genuine member states. One more example of strategic use of the European Semester by the Flemish Government was the mid-term review in 2014. At this occasion, all Belgian regions stressed the importance of the regional level, but Flanders went one step further by demanding region specific recommendations. This demand is also part of the Flemish Government Coalition Agreement 2014-2019. Finally, also in 2014, the Flemish PM represented Belgium at the General Affairs Council devoted to cohesion policy.

Some additional examples of the relevance of the intra-state coordination in the realm of social and economic policy-making is the Cooperation Protocol for the installation of an Interministerial Conference of the Ministers of Education of the three Communities and also the intra Belgian consultation to put industrial policy on the European agenda (after the closure of the FORD assembly factory in Genk in 2012). Finally, it is worth adding that the Federal Coalition Agreement (2014-2019) underlined the need for collaborative federalism in the area of EU related programs.

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Intra-state route is considered as important for Flanders. Example is Flemish demand for a revision of the general CA. Its idea is to strengthen the regions’ position, to make sure that the interests of the regional level are better served (as stated in the Coalition Agreement of the Flemish government (14-19). Hence, more leverage, but within the federal structures (intra state) nevertheless. Discussion still going on, one stumble block is the regional involvement in the ES.

Concluding, the European Semester clearly triggers Belgian subnational authorities to walk the intra-state route towards the EU, similar to the approach they use in legislative procedures. The intra-state route is considered as important, also for the strongest player, which can be illustrated by the Flemish demand for a revision of the general CA. Flanders aims at strengthening the regions’ position within the Belgian federation, to make sure that the interests of the regional level are better served. The Flemish goal is more leverage, which is – at least partly – to be achieved within the federal structures.

However, unlike the legislative context, the European Semester doesn’t provoke that much integrative efforts, leaving a lot of room to highlight regional autonomy and individual policies. In addition, EU pressure doesn’t always lead to smooth cooperation. Case in point is the burden sharing in climate policies, on which an agreement was only reached because of pressure at a higher international level (Happaerts 2015). Also budgetary efforts are hard to coordinate (Vanden Bosch 2014) due to diverging ideological positions.

What are the implications of this for the extra-state channels towards the EU? Do the intra-state practices make the extra-state efforts obsolete? Or, quite the contrary, do regional governments invest in extra-state channels as well to emphasize their autonomy?

3.2 Extra-State Channels

All regional levels exploit the European Semester to put themselves on the EU map. A prime example is the membership of Flanders, the Brussels Capital Region and the German Community of the Committee of the Regions’ Europe 2020 Platform. However, when it comes to identity politics, the Flemish Government is the one that uses the European
Semester the most. Flanders formulates explicit procedural demands (which are not shared by Brussels or Wallonia) such as the drafting of region specific recommendations and the organization of region-specific fact finding missions (see also Cole 2008, who also reports a difference between rich and less rich regions). Other examples through which the Flemish government seeks visibility are European Semester related visits to other regions such as Catalonia and the organization of a high profile conference on the Europe 2020 strategy in 2012). The variation among Belgian regions is also illustrated by the fact that Wallonia and Brussels just react to the content of recommendations, while Flanders, on top of content-related response, most of the time also comments on governance issues, arguing for more direct contacts between the European and the regional level.

The Flemish Government Coalition Agreement 2014-2019 makes these European ambitions very explicit: “We will increase interaction between Flemish and European institutions. First and foremost we will formulate and communicate our positions and vision about the EU more clearly and in a more targeted manner. This means, among other things, that we will report directly to the EU as much as possible. Vice versa we will ask the EU to provide information directly to Flanders where possible. We will request the EU to assess Flemish programs and plans for structural reforms (as in the reform program and the stability program) separately and to issue separate recommendations”. This resulted in a set of very visible extra-state instruments. The Flemish government has invested in continuous contacts with the Belgian European Semester officers of the Commission (they are contacted by the Flemish RP, and invited in the Flemish Parliament and at the Flemish administration). In addition, the Flemish Government has made sure to participate within the Europe 2020 monitoring platform of the Committee of the Regions, has facilitated contacts of Flemish officials with Commission administrators and has even put a website on line specifically devoted to the European Semester⁴.

In terms of content, Flanders drafts its own Flemish reform program, embedded as a part of Flanders in Action (‘2020 future strategy’) and the 2020 Pact. This resulted in the further integration of the European Semester in Flemish policy-making such as its incorporation in

annual policy papers, a discussion before the Flemish parliament and the incorporation in the budgetary process. In addition, salience was further increased when a set of related competences (e.g. part of labor market policy) was transferred to the regions by the 6th State Reform.

One of the most prominent attempts to deal directly with the European level is the demand to introduce Region Specific Recommendations. For now, Country Reports of the European Commission only mention regional specific data or comparisons between regions, e.g. comparisons of how regions score on targets that belong to the regional competences (2015 and 2016 reports), but they don’t provide region-specific recommendations. In July 2016 the minister-president of Flanders formally asked the European Institutions to deliver region-specific recommendations and to organize a specific fact-finding mission to Flanders. Flanders argues for these in order to create ownership of regional actors and also because some national recommendations refer to competences that the federal government doesn’t have (e.g. school drop out).

The Commission, however, has not honored these requests. In its response of September 2016, the Commission made clear that it was only willing to involve the regional level if all Belgian regions and communities would take part in the Belgian fact finding mission. In other words, while Flanders was pushing for an explicit extra-state channel, the Commission de facto only allowed for some form of enhanced intra-state channel. Nevertheless, Flanders took the intra-state opportunity offered by the Commission very serious and prepared well for the fact finding mission meeting. Hence, Flanders took advantage of this intra-state opportunity and was able to provide substantial input during the 2016 fact finding mission. Overall, the number of contacts between Flanders and the Commission (the Belgian European Semester Officer and services of the Flemish administration or political aides of the Flemish ministers) has increased significantly in recent years.
For its part, the Flemish Parliament renewed its demand for region specific recommendations in a resolution by members of the government majority parties. They argue that Flanders has invested in the European Semester from the start in 2010 and that it delivers region-specific reports and documentation to the European institutions. They regret that neither the European Commission nor the Council of the EU take the regional level sufficiently into account as they stick to the aggregate level of country-specific analyses and recommendations. According to the MPs, this is not very helpful for Flanders as Belgian regions differ substantially and as many policies through which the ES recommendations have to be implemented fall within the realm of regional competences. The MPs therefore recall the official position of the Flemish Government regarding direct relationships between Flanders and the EU, refer to various EU level reports discussing the relevance of regions in the ES, and call upon the Flemish Government to keep on pushing the European Institutions, also together with other Belgian and foreign regions, to deliver region-specific recommendations and - meanwhile - to keep on investing in collecting and sending relevant to the European institutions.

The draft budgetary Plan and the stability program

The paper so far mainly focused on the Europe 2020 dimensions of the European Semester. We now briefly turn to the budgetary and macro-economic dimensions. The Belgian subnational authorities are involved in both the draft budgetary Plan (DBP) and the stability program (SP) program. Overall administrative and political coordination for these is done at the federal level. The context of both programs is somewhat more binding as it follows from the European budgetary surveillance. This prompted the different government levels in Belgium to conclude Cooperation Agreements on budgetary stability and on the implementation of article 3§1 of the Treaty of Stability, Coordination and Governance (TSCG) to divide the fiscal efforts between the different levels of government in Belgium. The more binding character of has triggered substantial subnational participation in intra-state coordination and, compared to other areas of the European Semester, less engagement in direct strategies. This is also the case for Flanders which is often eager to be internationally visible. Flanders clearly invests in the follow-up of the DBP (administrative and political

5 https://www.vlaamsparlement.be/parlementaire-documenten/parlementaire-initiatieven/1101845
coordination, securing the link with the other European Semester dimensions, discussions in
the Flemish Parliament), but chooses to do so mainly via the intra Belgian route. The same is
true for the SP. As this is a highly contentious issue, it is also discussed in an interfederal
intercabinet working group which, due to the time management of the European
Commission, is under severe time pressure to agree on the Belgian position.

Concluding, extra state channels with respect to the various dimensions of the European
Semester are used on top of internal coordination procedures. Direct targeting of the
European level seems to coincide with high levels of interest in identity politics and a
relatively low level of (legally) binding policies.

4 Conclusion

To what extent do the strategies of subnational authorities towards European Semester
policies differ from their strategies towards EU legislation? The expectation was that Belgian
subnational authorities would behave rather similarly, i.e. that they would primarily opt for
intra-state strategies, under certain conditions complemented by extra-state strategies, as
also found by Swenden and Bolleyer (2014) for Germany and Spain.

The empirical analysis confirmed the expectations. With respect to the various dimensions
of the European Semester, all Belgian subnational authorities invested heavily in the intra-
Belgian coordination mechanisms. The European Semester doesn’t seem to trigger an
alternative approach, but very much resembles the well-established routines, including the
typical Belgian relations between administrative officials and political aides. Also similar to
legislative politics, especially the Flemish region is found to complement its intra-state channel with direct strategies towards EU institutions. A set of conditions helps to understand this behavior. First, as an economically strong region, Flanders has a comparatively larger interest in the content of Europe 2020 policies shaping the conditions of its competitive environment. When its interests vary from the other regions and the federal level, Flanders seeks to make this position clear to the European Commission. Second, next to a different economic rationale, also a more outspoken eagerness to be present at the European scene, leads to a strategy for enhanced visibility by the Flemish government. Also, the sometimes tight deadlines of the European Commission combined with the time-consuming Belgian coordination mechanism tempt Flanders to approach the European institutions unilaterally. Next, within the range of European Semester dimensions, those which are less binding (Europe 2020) trigger more additional extra-state activity than those which are more binding (budget, stability program). In the latter dimensions a univocal Belgian position is crucial to ensure influence and in late stages also compliance. Additionally, when the necessity to come up with one single position (such as in Council meetings when discussing legislation) is less felt, the need to integrate the different regional positions is less present as well. When coordination only leads to adding up individual positions, these positions themselves are more easy to communicate to the European level. In this logic the European Semester is more inviting for additional solo strategies than legislative dossiers are.

Overall, Belgian regions seem to be primarily taking up the formal role of public authorities as part of the intra-Belgian coordination in order to convey a clear and single position regarding European Semester issues. In addition, as also Tatham (2014) has found, some regions, taking up the role of interest groups, also engage in more informal individual contacts that offers them exposure at the European level.
5 References


