
European governance, policy entrepreneurship and the discourse of reform: an institutionalist assessment

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Abstract: This paper argues that the European Commission exercises its entrepreneurial role in building European governance institutions primarily through discursive means. Tracing the foundations of this particular mode of policy entrepreneurship informs a reconsideration of the Prodi Commission's White Paper on European Governance, which was published in 2001. It is assessed as a decisive contribution to the discourse on leadership, power and legitimacy in European policy reform, as it highlights the Commission's attempts to position itself as an entrepreneurial organ in the European governance architecture. However, this exploration uncovers major tensions in the Commission's reasoning, for its self-assessed role in policy leadership may contrast with the requirements of a coordinating and moderating type of policy entrepreneurship that becomes prevalent in the evolving multilevel system of European governance.

Keywords: European governance; policy entrepreneurship; institutional reform; European Commission; discourse.

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1 Introduction

Following the controversies on the European Constitution and the Lisbon Reform Treaty, the current state of European integration is still informed by the need to implement adequate governance structures that account for participation, efficiency and legitimacy. This problem has been repeatedly underlined in official assessments of the integration process (Sócrates, 2007). How are these procedures of institution building and institutional reform grasped in theoretical terms? In the framework of institutionalist political economy, related analytical concerns highlight the entrepreneurial interventions

of supranational actors. The proponents of neofunctionalism pinpoint self-reinforcing feedback structures in supranational governance mechanisms that co-evolve with economic relations. In this line of reasoning, the European Commission serves as an entrepreneurial organ of policy reform, at times represented by outstanding individuals like Jacques Delors, the President of the European Commission in the late 1980s, who pushed for the Single Market Programme that stimulated the Maastricht Treaty (Fligstein and Stone Sweet, 2002; Fligstein, 1997, pp.403–404). Neorealist counterpositions pinpoint the character of European institutions as the factual outcome of an implicit ‘constitutional settlement’, exhibiting governance structures that may be altered by the Commission only with reference to intrastate failures of collective action (Moravcsik, 2007; 1999). Thus, with differing nuances, both positions acknowledge the role of policy entrepreneurship in building the institutions of the European governance system.

Based on these considerations, it may be argued that the European Commission exercises its entrepreneurial role to a high degree through discursive means. This argument is based on recent advances in institutional political economy, which highlight the prominent role of ideas, information and policy learning in institution building and institutional change (Campbell and Pedersen, 2001; Schmidt, 2006). The institutional evolution of the state, which involves the formation of its organisational structures, constitutes a major research object of this approach. Crucially, it highlights institutional entrepreneurship and its discursive dimensions as the fundamental features of governance. Tracing the discursive foundations of policy entrepreneurship within the operative domain of the European Commission may thus provide further insights into the institutional dynamism of integration. Methodologically, such a venture involves a reconsideration of key policy-related documents. The Prodi Commission’s White Paper on European Governance, which was published in 2001, represents such a decisive contribution to the preconstitutional discourse on policy reform (Commission of the European Communities, 2001). It is a key component in the Commission’s attempts to position itself as an entrepreneurial organ in the European governance architecture. This aspect needs further scrutiny beyond the already available assessments of the White Paper, for it involves inconsistencies and contradictions that are related to the Commission’s ambivalent use of the notion of entrepreneurship.

In reconsidering these issues, the following sections proceed as follows. Section 2 approaches the role of governance, policy entrepreneurship and public discourse in recent advances of institutional political economy. It also provides the theoretical underpinnings for the exploration of institution building and institutional change in European integration. Section 3 presents an overview of the discursive structure of the European Commission’s White Paper on European Governance, highlighting the Commission’s approach to policy entrepreneurship as a driving force in institutional reform. Section 4 points to interpretations of the Commission’s position. It pinpoints the institutional variety and complexity in European governance and allows for a further scrutiny of the Commission’s discursive practices and its interpretations. In conclusion, the Commission needs to clarify its notion of policy entrepreneurship. Instead of communicating a self-stylised status of political leadership in the integration process, it needs to put more emphasis on interest mediation and knowledge coordination in the evolving multilevel system of European governance.

2 Governance, policy entrepreneurship and public discourse

The recent debate on governance and institutional reform is rooted in the perception of an institutional transformation of the state, which is framed by a differentiation of policy levels and actors that involve supranational and local levels as well as public and private sector initiatives (Pierre and Peters, 2000, pp.52–53). The corresponding institutional architecture may come to resemble a polycentric system of governance relations that coincides with a drive for shared sovereignty in cooperation and integration (Cerny, 2000). Governance then addresses reflexive self-organisation and rule-based, decentral coordination capacities in the policy domain. It deals with regulatory structures that combine public and private as well as hierarchical and network forms of coordination (Mayntz, 2004, pp.5–6). Accordingly, as the notion of governance highlights the evolution of public-private interactions, the problems of power and legitimacy in institutional design are to be taken to the fore (Kaul, 2001, pp.255–256). Moreover, reflecting a concern with administrative efficiency and democratic legitimacy, the matter of governance also points to normative concerns with participation, transparency, efficiency and responsibility in policy making, as outlined in the notion of “good governance” (Grindle, 1997). Thus, the notion of governance addresses the institutional reform of government and administration, yet it is also concerned with the inclusion of civil society and the private sector in the interactive formulation and implementation of public policy (Kjaer, 2004, pp.3–6).

The institutional evolution of governance structures is substantially related to the impact of prevailing political-economic discourses. This relationship between discursive practices and institutional change has recently evolved as a major topic in institutional political economy, exploring the relationship between states and markets by invoking governmental capacities and their ideational substance (Campbell, 1993, pp.164–165). According to Pierre Bourdieu’s formative argumentation, the role of discourse in political and economic change resembles an institutional constraint on the full scale of hypothetical options and possibilities for strategic action, thus channelling change processes into distinct directions (Bourdieu, 1977, p.169). This goes well with Bourdieu’s view of markets as socially constructed fields of power relations that are generated by distinct social forces and mediated by the state (Bourdieu, 2005, pp.12–13). Following Bourdieu’s positions, Neil Fligstein defined institutional fields as local social orders where organised actors frame their interactions by attempting to establish types of rules that stabilise their relative power positions. Part of this social construction is the available set of social skills required to induce collective action in the generation and reproduction of related institutions. The discursive appeal to collective identities and interests promotes legitimacy, which results in the production of collectively shared meanings and world views (Fligstein, 2001, pp.108, 112). Accordingly, specific discourses structure diverse fields in the political domain due to an inclusion and exclusion of certain positions in the array of legitimate arguments. This characterisation of discourses also highlights the impact of institutions in shaping perceptions and understandings in the diverse orientations of public policy (Campbell and Pedersen, 2001, p.6). Thus, the dynamism of public discourses is also fit to shape the selective communication of ideas about legitimate political strategies and actions (Schmidt, 2006). In this manner, the notion of discourse may be defined as an institutional set of policy ideas and values that informs policy making as an interactive, multilevel process:

“Discourse is fundamental both in giving shape to new institutional structures, as a set of ideas about new rules, values, and practices, and as a resource used by entrepreneurial actors to produce and legitimate those ideas, as a process of interaction focused on policy formulation and communication.” (Schmidt and Radaelli, 2002, p.192)

This aspect of the production and legitimisation of ideas provides a point of departure for approaching the institutional evolution of states and markets by means of entrepreneurial interventions. The rules and regulations enforced by the state shape the organisation of the market process. However, market structures and actors also feed back on the formulation and implementation of these rules and regulations. Entrepreneurial efforts in economy and polity are key components of that evolutionary process (Ebner, 2008, p.303). Thus, policy entrepreneurship and its discursive dimensions resemble the fundamental features of evolving governance structures. This implies that the entrepreneurial logic of institution building and policy reform is crucial to address the agency dimension of political change (Ebner, 2006a; Marques, 2004; Swedberg, 1998, pp.57–61). Such a concern with entrepreneurship also provides an adequate perspective to address more specific phenomena like complexity and path dependence that characterise the institutional evolution of the political domain (Streck, 2005, pp.582–583). The agency aspect of institutional change may thus be specified by invoking a notion of entrepreneurship that blends the matter of discursive mechanisms with interest conflicts and power relations (Campbell, 2004, pp.4–6, 185–189; Hira and Hira, 2000). More specifically, policy entrepreneurship is framed by a specific field of rules, norms and routines that signify the degree of its institutionalisation – which is particularly relevant in the context of European policy making (Perkmann and Spicer, 2007, pp.1003–1104). The collaborative interactions of these interdependent entrepreneurial actors, which are usually settled in a complementary institutional relationship, also involve the discursive construction of institutional change (Amaeshi *et al.*, 2007). Viewing institutional change in terms of the underlying discursive strategies of entrepreneurial actors requires a clear-cut approach to the actual qualities of entrepreneurial interventions.

At this point, it is most useful to approach a differentiation of entrepreneurship in accordance with major lines of reasoning in the theory of entrepreneurship that distinguish between leadership and coordination (Ebner, 2005). Associating the former with political hierarchies and the latter with policy networks allows for a perception of policy entrepreneurship that accounts for the diversity of governance mechanisms. Indeed, the notion of policy entrepreneurship is designated to cover all those aspects of institutional innovation in the political domain, which require the solution of collective actions’ problems. Basically, this may apply to public goods provision and the internalisation of externalities. Yet, in a broader sense, it may be associated with the introduction of institutional novelty into an established setting of governance structures (Walker, 1969). More precisely, policy entrepreneurship is not necessarily concerned with the introduction of objectively novel types of political institutions that have not been implemented elsewhere. Rather, it is about the new combination of already established components in accordance with local conditions. This implies that entrepreneurial interventions are closely related to the matter of ideas, knowledge and learning. Again, this may be set in relation to systematic explanations of policy entrepreneurship, which tackle the flow of knowledge in the political domain channelled by prevalent governance mechanisms. The concept of interjurisdictional competition for scarce resources, which

has risen to prominence in public choice theory, mirrors some of these arguments (Besley and Case, 1995). Furthermore, the associated matter of decentralised institutional experimentation for policy solutions also indicates the relevance of entrepreneurial interventions. In this case (and quite prominent in public choice reasoning as well), the uncertainty of innovations may hinder entrepreneurial initiative and result in an undersupply of policy entrepreneurship – an effect that may be softened by the heterogeneity of the involved political units and the scale effects of political experimentation (Rose-Ackerman, 1980; Strumpf, 2002; Kollman *et al.*, 2000).

Of course, these aspects remain valid beyond the confines of the public choice approach – and even more so, as institutionalist reasoning takes on all those discursive aspects of institutional change that are usually overlooked in public choice reasoning. After all, policy entrepreneurship may be interpreted as the facilitation of learning through the institutional promotion of knowledge flows and learning processes. In this setting, it may be thought of as a hierarchical steering procedure involving leadership attributes of the entrepreneurial organs. Another option would be an understanding as the decentralised coordination of dispersed knowledge. In this case, it is not the knowledge pool of a supreme authority that matters most, but its competence in mediating diverse knowledge segments and organising institutional learning. In fact, this differentiation of entrepreneurial functions reflects an even more fundamental distinction between vertical and horizontal steering and incentive mechanisms in complex governance schemes. After all, both structure and agency need to be taken into account to explore the driving forces of institutional change.

This perspective applies most promisingly to programmatic debates on European governance, which stand out in recent discussions on the future perspectives of the project of European integration. In this setting, it is particularly relevant to note that policy changes tend to reflect deliberative proceedings as driven by the rhetorical efforts of leading political personnel acting as ideational entrepreneurs in their associated discursive communities (Schmidt and Radaelli, 2002, p.192). Therefore, the discourse on European governance designates major controversies on the adequate institutional underpinnings of the integration process by lending legitimacy to certain integration strategies while trying to delegitimise others (Diez, 2001, pp.5–6). At this point, the institutional relationship between governance, policy entrepreneurship and public discourse becomes most obvious. Corresponding efforts in the moulding of public discourses on European integration have been put forward in the Prodi Commission's 2001 White Paper on governance and reform. It still represents a milestone in the Commission's ongoing attempts to delineate its entrepreneurial role of political initiative and coordination within the evolving institutional architecture of the European Union.

3 Revisiting the Prodi Commission's White Paper on European Governance: discourses on institutional reform

Concerns with preconstitutional debates on institutional reform within the organs of the European Union and their relationship with member states and civil society at large provide the background for the Prodi Commission's White Paper on European Governance, which was published in July 2001. It contains key arguments on the role of the Commission in the integration process by highlighting proposals for a reform of the

system of governance in the European Union. The notion of governance is introduced in agreement with these reform ambitions that mirror the established concepts of good governance in political-administrative systems: “‘Governance’ means rules, processes and behaviour that affect the way in which powers are exercised at the European level, particularly as regards openness, participation, accountability, effectiveness and coherence” (Commission of the European Committees, 2001, p.8). As the complexity of policy making in the European Union is not adequately met by existing governance structures, a deepening crisis of legitimacy ensues as the key problem of the integration process (Commission of the European Committees, 2001, p.3). The underlying perception of the institutional system of European governance as a multi-actor and multilevel policy setting involves a further assessment of deliberation procedures. Accordingly, the Commission’s proposals for the new governance architecture address policy dialogues among the regional, national and Community levels, as well as local flexibility in implementing Community legislation that involves more diverse policy tools and simplified legal rules (Commission of the European Committees, 2001, pp.4–5). In outlining the dynamism of policy initiatives, the Commission suggests a renewal of the Community method: the Commission should promote legislative and policy proposals in its function as ‘guardian of the Treaties’, whereas legislative and budgetary acts are to be adopted by the Council of Ministers as the representative of the member states and by the European Parliament as the representative of the citizens. While the execution of policy is entrusted both to the Commission and national authorities, the Court of Justice enforces the rule of law (Commission of the European Committees, 2001, p.8).

This reinterpretation of the Community method already indicates the Commission’s self-stylised leadership role. Yet, it needs to be perceived in the context of the Commission’s normative perception of governance as a framework for institutional reform. In accordance with the established discourse on good governance as a scheme to improve political-administrative efficiency, the principles of openness, participation, accountability, effectiveness and coherence are singled out as factors requiring further attention. Openness points to the matter of inclusiveness and transparency in the formulation and communication of policies. Accountability highlights the role of institutional commitment and coherence in legislative and executive processes. Moreover, good governance should reinforce the other long-standing principles of the European Treaties, particularly proportionality and subsidiarity, involving choices on decision and action levels. In coping with increasing complexity, the new mode of governance should improve feedback mechanisms and network interactions to allow for systemic flexibility in policy making (Commission of the European Communities, 2001, pp.10–11). This reference to a systemic understanding of European governance also indicates a further self-stylisation of the Commission: it may be perceived as an entrepreneurial knowledge coordinator in a complex, multilevel setting of policy interactions.

Following this line of reasoning, the Commission addresses distinct areas of reform such as participation and transparency, as well as regulation and delivery. Regarding an improved policy involvement of various actors, the Commission points to the need for extensive public deliberation – and portrays itself as an indispensable moderator of knowledge networks. This applies to the multilevel character of policy making as well as the public sphere in civil society (Commission of the European Committees, 2001, pp.11–15). The requirements of accountability and openness in these policy-related networks are due to the dangers of governance failure based on institutional sclerosis

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and exclusivity. The use of external expert knowledge, in particular, is said to require more transparent rules of procedure (Commission of the European Committees, 2001, pp.16–18). Similar concerns apply to the implementation of public policies by altering the modes of regulation and delivery. The underlying argument hints at the increasing complexity of legislation and policy making. A more efficient mode of regulation should account for both formal rules – which play a primary role – and nonbinding policy tools such as recommendations, guidelines and self-regulation efforts that inform instruments like framework directives, which resemble basic rules that leave their actualisation to the executive. This approach is also prevalent with regard to the notion of co-regulation, which combines legislative and regulatory action with the actions taken by concerned actors, thus promoting rule compliance (Commission of the European Committees, 2001, pp.19–21).

At this point, the Commission discusses the ‘open method of coordination’, which has evolved as a flexible approach to sector-specific policy making through the monitored exchange of best-practice benchmarks in the context of common targets and guidelines. The Commission actually treats the ‘open method’ with critical distance, for it is said to potentially upset the established ‘institutional balance’ that characterises the more traditional ‘Community method’ with the Commission as the decisive organ of policy coordination and stimulation. Indeed, the ‘open method’ should not be used when legislative action under the latter is deemed possible (Commission of the European Communities, 2001, pp.22–23). This argumentation points directly to internal tensions in the self-stylisation of the Commission as the decisive supranational organ of policy entrepreneurship that drives the reform of European governance structures, underlining its role as a “guardian of the Treaties” (Commission of the European Communities, 2001, pp.23–25). While the Community method may require institutional leadership with a higher degree of centralisation, the open method needs institutional coordination through knowledge brokering, thus resembling a slightly different variety of policy entrepreneurship. This tension shapes most propositions of the Commission’s White Paper.

Accordingly, in outlining the long-term objectives of the integration process with reference to sustainable development, social cohesion and industrial competitiveness, the Commission stylises itself as the decisive organ of policy entrepreneurship. This goes together with a call to revitalise the separation of powers within the Community method. In such a policy cycle, the Commission should initiate and execute policy, the Council and Parliament should decide on legislation and budgets, the European Council should provide political guidance and the Parliament should control the execution of budget and policies (Commission of the European Communities, 2001, pp.28–29). In underlining its leadership claim, the Commission argues that **the Council of Ministers lacks distinct leadership capacities that are still required to arbitrate between sector-specific interests.** Thus, the relative autonomy of the Commission is viewed a key feature of its institutional leadership (Commission of the European Communities, 2001, pp.29–31). A related topic is the utilisation of dispersed knowledge among local actors. Also with regard to these coordinative functions, the Commission underlines its leadership position – and tends to derive its realisation from legal voluntarism: “Carrying these actions forward does not necessarily require new Treaties. It is first and foremost a question of political will” (Commission of the European Communities, 2001, pp.32–33). As argued by the Commission, a further strengthening of that leadership position may result from a more

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simplified legislation focusing on basic rules and regulations, while the Council and Parliament should concentrate on the long-run issues in their legislative activities, leaving detailed operations to the Commission. The corresponding characterisation of multilevel governance even reconsiders national and regional governance organs as communicative transmission belts of the Commission itself (Commission of the European Communities, 2001, pp.33–34).

What were the practical implications of these efforts in shaping the discourse on institutional reform? The Prodi Commission's White Paper was directed at the discussions of the Laeken Council, followed by the proceedings of the European Convention. Several topics on policy entrepreneurship and institutional reform were actually taken up in the draft constitutional treaty as elaborated by the Convention. This applies primarily to the formula of a renewed Community method, accompanied by hints at the principles of good governance (Commission of the European Communities, 2004, pp.12–13). However, the actual failure of the constitutional project leads to further questions on the White Paper's overall relevance – particularly with regard to the aspects of participation and legitimacy, which have been identified *ex post* as major hindrances for the ratification of the Constitution. Crucially, these aspects also reflect the shortcomings of the Commission's self-stylised role of entrepreneurial leadership in the discourse on institutional reform.

These shortcomings are well reflected by the Commission's implicit ambivalence regarding the European Constitution as a 'quiet revolution' that transcends the well-established governance structures of the Treaties – an aspect that remains relevant even beyond the ongoing provisory solution of the quasi-constitutional crisis, for it points to the key problems of reforming the legal framework of integration (Commission of the European Committees, 2002a, pp.5–6). This matter hints at the multilevel character of European governance, yet it is also in line with the Commission's emphasis on governance as the qualitative exercise of power in an established institutional setting (Commission of the European Committees, 2003, p.31; 2004, p.3). Accordingly, in the Commission's account, governance as the exercise of power may be combined with policy entrepreneurship as a coordinative function in institutional and political change. Yet, this perspective leads to the question of the strategic use of knowledge to the benefit of an inclusive participation of civil society at large and expert advice in particular (Commission of the European Committees, 2002c, p.1; 2002b, pp.1, 3–4). In other words, in how far does the Commission's insistence on the benefits of its self-stylised entrepreneurial leadership position, as derived from the right to political initiative that is associated with the Community method, tend to contradict the parallel use of discursive schemes that relate to the notion of the knowledge-based economy? In the latter scheme, the Commission's understanding of its role in policy entrepreneurship primarily points to the coordination of dispersed knowledge in a multilevel governance system. In this context, Moravcsik's neorealist question concerning the Commission's policy entrepreneurship is most relevant: Why should governments require the services of supranational entrepreneurs to generate and disseminate information and ideas? (Moravcsik, 1999, p.273). The answer to this question may require a different discourse that accounts more decidedly for institutional variety and the complexity of governance beyond the Commission's rather ambivalent understanding of political steering.

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4 Beyond the White Paper: varieties of policy entrepreneurship

It is commonly acknowledged that the governance approach to European integration needs to account more explicitly for the role of power, leadership and legitimacy in policy making (Jachtenfuchs, 2001, p.258). All of these aspects are key components in the debate on European governance – and the role of policy entrepreneurship in its institutional dynamism. In accounting for the European polity, Schmitter (2001) defined governance as follows:

“Governance is a method/mechanism for dealing with a broad range of problems/conflicts in which actors regularly arrive at mutually satisfactory and binding decisions by negotiating and deliberating with each other and co-operating in the implementation of these decisions.” (p.4)

The institutional domain of governance includes repeated procedures of deliberative interaction that support trust and mutual accommodation. It follows that governance is more likely to contribute to the solution of legitimacy problems in the complex setting of European policy making as compared to conventional practices of hierarchical government (Schmitter, 2001, pp.4–5). A related aspect is addressed in Scharpf’s (2003) well-established distinction between ‘output legitimacy’ as efficient political-administrative problem solving and ‘input legitimacy’ as the political responsiveness to citizens’ preferences (pp.2–3). More traditional debates on European governance have emphasised the problem of output legitimacy, whereas more recent arguments have put an emphasis on participation and openness in terms of input legitimacy (Kohler-Koch, 2004, p.4; 2003). This is in line with the more concrete question of how far the Commission’s self-stylised role of policy entrepreneurship corresponds with the demands for a collaborative style of governance, for persistent problems with the participatory accessibility of the Commission’s mode of policy making contradict ongoing efforts in a further centralisation of its competences (Cygan, 2002, p.231; Scott and Trubek, 2002, pp.15–16).

Accordingly, critical interpretations of the Commission’s positions hint primarily at the combination of elitism overload and legitimacy deficit as features of its self-stylised leadership role (Kohler-Koch, 2001, pp.5–8). Even more than that, the Commission’s proposals have been denounced quite frankly as an attempt to create a ‘benevolent dictatorship’ as an outcome of elitist policy entrepreneurship that is not subject to democratic legitimation and control (Scharpf, 2001, p.7). In less controversial terms, however, it seems at least that the White Paper articulates the Commission’s efforts to strengthen its entrepreneurial authority through promoting informal political-administrative interactions in the framework of co-decision procedures (Héritier, 2001, pp.1–2). This latter interpretation assesses the White Paper as a rather defensive endeavour in regaining an ultimately waning model of steering capacity. After all, this loss in steering capacity may be related to the increasing complexity and diminishing returns of the Commission’s ventures in policy entrepreneurship, accompanied by intra- and inter-institutional rivalries on both the European and national levels of policy interaction (Smith, 2000; Simpson, 2000). Indeed, the actual experience with the Commission’s exercise of entrepreneurial functions in the system of European governance may be set in relation with the institutional path dependence of governance modes, subject to historical alterations.

Historically, the formation of the Common Market in Europe stands for the symbiotic development of markets and polities as self-reinforcing institutional fields, involving the European Commission as an entrepreneurial actor. Its promotion of the Single Market Programme under the presidency of Jacques Delors during the mid-1980s has been singled out as an outstanding entrepreneurial venture in institutions building through the interventions of supranational actors, subject to feedback mechanisms between economy and polity (Bornschiefer, 2000, pp.4–5; Fligstein and Mara-Drita, 1996, pp.1–3). Such an assessment, which is in line with the neofunctionalist positions in international political economy, may even pinpoint the role of outstanding individuals like Jacques Delors, the president of the European Commission in the late 1980s, who pushed for the Single Market Programme that stimulated the Maastricht Treaty (Fligstein and Stone Sweet, 2002; Fligstein, 1997, pp.403–404). This exercise of policy entrepreneurship by the Delors Commission involved the facilitation of collective action. Two fields of activity were especially relevant: first is the introduction of institutional innovations based on discursive leadership and second is the use of framing and brokering skills that allow for the forging of supportive alliances (Hwang and Powell, 2005, pp.191–192). Generally, in the formation of the Single Market Programme, the Commission has served both as a ‘honest broker’ of political deals and as a market place of ideas and strategies in a more mediating than explicitly directing or even commanding role of policy entrepreneurship (Jones and Clark, 2001, pp.41–42). However, such an assessment also needs to account for the national level. Neorealist counterpositions like Moravcsik’s pinpoint the character of European institutions as an implicit ‘constitutional settlement’, which may be altered by the Commission only with reference to intrastate failures of collective action. Thus, the Commission’s entrepreneurial advantages are not related to interstate coordination, but rather to overcoming intrastate collective action failures in the coordination of knowledge. Only in this case does the Commission’s administrative coherence and political insulation matter decisively (Moravcsik, 2007; 1999, pp.282–283). The Commission’s entrepreneurial role in the promotion of the European Employment Strategy is said to provide an illustrative case based on the Commission’s mobilisation of knowledge resources, which had been largely ignored on the national level. Corresponding discourse strategies have involved the framing of preference formation through agenda setting (Arnold, 2002).

In elaborating on these topics, a distinction of discourse styles according to governance levels may be appropriate. The multilevel system of European governance exhibits a discourse orientation that strives for the coordination of multiple actors, whereas the national level relates to a discourse style that addresses the public directly and filters European discourses. Only recently has the Commission intensified its efforts at a more communicative discourse style that is more open to public deliberation, following demands for transparency and legitimacy (Schmidt and Radaelli, 2002, pp.199–200). Yet the Commission’s discursive efforts to safeguard its role as an entrepreneurial steering agency also require a reconsideration of the steering object, namely the completion of the Common Market and the Economic and Currency Union. Indeed, political governance structures in market economies tend to feed back into economic activity and promote the symbiotic development of markets and polities as self-reinforcing fields (Fligstein and Stone Sweet, 2002, pp.1206–1210). This institutional complexity underlines the experimental character of policy entrepreneurship in European integration. Adapting political governance structures to changing economic conditions makes the European Union a prime example of the trial-and-error procedures

<p>or ‘as self-reinforcing institutional fields that involve the European Commission as an entrepreneurial actor’?</p>
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that characterise the complexity and uncertainty of institution building and the corresponding formation of statecraft at large (Cooter, 2000, pp.235–236; Wagner, 2006; 2007).

The experimental character of integration efforts is well reflected by the factual tendency of combining decentralised modes of governance with coordinative types of policy entrepreneurship, as represented most recently by the ‘open method of coordination’. It may be perceived as a means to promote ‘democratic experimentalism’, a mode of network-based decision making that aims to establish common standards through deliberative processes (Eberlein and Kerwer, 2004, pp.133–134). Proponents of democratic experimentalism (like Charles Sabel) highlighted a scheme where the administrative centre only sets general standards and provides infrastructures for local units that strive for their own goals, allowing for coordinated learning strategies that tap local knowledge. This mechanism design should result in a combination of local innovativeness and public accountability (Sabel, 2001, pp.123, 142). Thus, an experimentalist interpretation of governance refers to flexible institutional arrangements whose realisation is based on entrepreneurial capabilities in uncovering policy opportunities (Pierre and Peters, 2000, p.83). In the setting of the European Union, such an experimental mode of governance may be associated with the subsidiarity principle that allows for a policy mechanism in which framework goals and implementation mechanisms could be set up jointly by European organs and member states and advanced by lower-level units in accordance with local conditions. Accountability would be subject to benchmarking, peer reviews and revision proposals, promoting institutional variety in the adaptation of jointly set policy propositions to local capabilities (Sabel and Zeitlin, 2007, pp.6–7). In this setting, the institutional locus of entrepreneurship is not only relevant for the top-down factor of political leadership in joint policy making, but also for the bottom-up factor of local agency in adapting basic propositions. Experimental schemes like the open method of coordination would thus come to require institutional advances in the establishment of knowledge-based types of multilevel entrepreneurship.

Such a combination of policy entrepreneurship with deliberative procedures is in line with arguments in favour of small-scale decision-making institutions that are said to counter widespread alienation in democratic systems. However, asymmetries in the capabilities of self-organisation and agenda setting need to be taken into account too, for they may work selectively to the benefit of special interests (Pierre and Peters, 2000, pp.139, 155–156). Thus, apart from the multilevel interactions between designated policy actors, the inclusion of the organised interests of civil society also needs to be facilitated in a manner that allows both legitimation and efficiency. For instance, the European Economic and Social Council – singled out in the Commission’s White Paper as a major terrain for deliberative arrangements – has been repeatedly criticised for its neocorporatist bargaining procedures at the national level of interest aggregation, thus lacking a pluralist representation of European civil society (Kohler-Koch, 2004, p.15). At this point, Christian Joerges’ critical assessment of Sabel’s approach to experimentalist governance may be taken to the fore with its position that the experimentalist striving for institutional flexibility could contradict the rule of law. Instead, for practical policy purposes, it may be useful to mobilise the various decentralised governance mechanisms, which are already part of the European governance architecture as an outcome of the regulation of the Common Market (Joerges, 2007, pp.9–12): first is the system of comitology, which involves negotiations among experts concerned with the

implementation of Community law framework provisions that are most relevant for the Common Market. The second mechanism is the principle of the mutual recognition of national regulations, which results from the *Cassis de Dijon* decision and serves and stimulates interjurisdictional competition. The third mechanism is the new approach to technological harmonisation and standardisation as an operative framework that relates European law making to essential regulations and leaves implementation to expert groups. The fourth mechanism is the system of agencies, which consists of European agencies exercising market-correcting functions on the basis of a semi-autonomous status in their working relationship with the Commission. The fifth mechanism is the open method of coordination as a multilateral coordination process based on competitive benchmarking procedures and nonbinding guidelines laid down in selected policy fields.

Accounting for these governance mechanisms allows for a basic observation regarding the shift of integration strategies: it seems that the dominant pattern of integration through law was already altered by the Delors Commission's project of completing the Common Market. It paved the way for the more informal schemes of regulation heralding the 'governance turn' of the Prodi Commission, as outlined in its White Paper (Joerges, 2007, p.18). Consequently, the Commission's discourse on policy entrepreneurship in the institutional reform of the European Union is intimately related to the advent of a more flexible integration approach that involves extended manoeuvring space for the bargaining strategies of policy actors. In highlighting both the entrepreneurial functions of political leadership and knowledge coordination, the Commission is set to take on the controversial – and somewhat contradictory – double role of driver and mediator of institutional reform. However, the effective outcome of such an effort depends decisively on the strategic responses of the member states. Also in this regard, the discourse on policy entrepreneurship and institutional reform reflects widespread political-economic tensions within the European Union. They may be derived from pressures for deregulation on the national level, which contrast with the supranational attempts to correct market failure by policy intervention. Centralist modes of supranational regulation (such as the Community method favoured by the Commission) may conflict with national concerns for differentiated strategies that account for institutional variety without establishing a competitive race of deregulation (Scharpf, 2001, pp.4–5; 2003, pp.17–18). Instead, a model of transnational pluralism could combine disjointed pluralism and competitive federalism with differentiated regional, national and supranational levels of interaction that cover diverse actors and interests (Streeck and Schmitter, 1992, p.227). This would include the requirement of a more inclusive mode of integration that is fit to cope with the quest for a viable type of legitimacy (Kohler-Koch, 2001, pp.13–14; Kohler-Koch and Rittberger, 2006, pp.41–42).

Such a perspective seems to be corroborated by empirical trends that provide only for partial convergence and institutional hybridisation in a setting of persisting variety (Boyer, 2005, pp.23–25). In other words, European governance needs to cope with distinct governance styles in a setting of multilevel interactions that allow for both institutional competition and cooperation in a commonly shared framework of values and commitments (Ebner, 2006b). Thus, European governance is not to be envisioned as a hierarchical constellation that allows for policy entrepreneurship in terms of leadership efforts, as implicitly suggested in the ambivalent claims of the Commission's White Paper. Rather, it needs to resemble another line of reasoning addressed by

the Commission: a democratically legitimised process of knowledge coordination in policy formation, coordinated by the Commission as a cooperative type of knowledge-brokering agency.

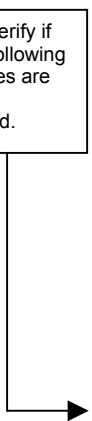
5 Conclusion

Discursive strands of institutionalist reasoning claim that the analysis of institution building and institutional change needs to take into account specific discourses and normative frameworks as legitimising factors in modern political economies. This suggestion most obviously connects very well with the ongoing debate on European governance and its concern with the driving forces of institutional reform. Viewing European integration as a specific case of institution building implies that the discursive positions of the involved actors are taken into account. Viewed from this perspective, the Prodi Commission's White Paper on European Governance is a major contribution to the policy discourse on European governance. It articulates the Commission's efforts to define its position as an internal driver of institutional change in the multilevel system of European governance. In this context, the Commission's self-stylised role of policy entrepreneurship exhibits a curious ambivalence. Primarily, the aspect of executive leadership is taken to the fore. It stands for a policy function that goes together with the Community method, thus granting the Commission the entrepreneurial initiative in the promotion of policy proposals and programmes. While such an approach to policy entrepreneurship as institutional leadership may be combined with flexible policy tools – as it is intimately related with the advent of a more flexible integration approach – it still represents a top-down scheme of policy leadership in joint policy making. A quite different approach, which is also outlined in the White Paper, refers to the matter of knowledge coordination and interest mediation in an extended scheme of decentralised governance. It points to the emergence of experimental schemes such as the open method of coordination that accounts for the introduction of institutional innovations in a multilevel setting of governance structures and policy entrepreneurship. In this line of reasoning, the Commission may serve as an institutional organ that mediates among diverse policy actors and articulates their concerns in accordance with the standards of democratic legitimacy. Consequently, carrying out the requirements of the latter model of policy entrepreneurship as knowledge coordination may call for giving up on claims of political leadership that are in line with the former approach. Thus, the Commission's self-stylised double role (both as a driver and mediator of institutional reform) is in need of further clarification. Yet, this would clearly imply a reorientation of its discursive strategies that is in line with further concerns regarding a more inclusive mode of European governance.

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