Varieties of public-private policy coordination:

How the political economy affects multi-actor implementation

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Abstract

This study seeks to introduce the concept of Varieties of Capitalism to the study of multi-actor implementation arrangements. It illustrates the analytical value of this classification scheme by drawing from original empirical data, and addresses two key research questions: namely, how do public and private actors cooperate in delivering on public policy, and which factors determine the scope of their cooperation? To address these questions, the article examines governance arrangements adopted by individual European Union (EU) member states for implementing the Youth Guarantee. The Youth Guarantee was selected because all EU member states must, and have indeed already started to implement it, meaning it provides a broad empirical base for observing different types of public-private coordination. The findings demonstrate that a hierarchical structure in a country's political economy and prior expenditure on active labour market policies result in different governance arrangements.

Keywords

European Union; governance; implementation, political economy; Youth Guarantee.

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1. Introduction

Governance has become an important theoretical perspective in research on public policy and administration (Bouckaert, 2017; Pierre, 2000). Among other things, the literature on governance has contended that the inclusion of non-state (i.e. private) actors in policymaking and policy implementation matters for coping with policy challenges (Brinkerhoff and Brinkerhoff, 2011; Busetti and Dente, 2018; Pierre, 2000; Pierre and Peters, 2000; Rhodes, 2003). In particular, governance research has indicated that it is worth concentrating on networks of private and public actors when examining the delivery of public policy, especially in multilevel systems such as the European Union (EU) (see Graziano, 2011; Hartlapp and Heidbreder, 2018; Hupe, 2011; Kohler-Koch and Rittberger, 2006; Radaelli, 2008; Tosun et al., 2019). Despite the magnitude of the existent literature in this area, we can still improve our understanding of the design and functioning of such arrangements for multi-actor implementation (Busetti and Dente, 2018) as well as of the degree of coordination between public and private actors within them (Bouckaert, 2017). Such research is especially fruitful in multilevel contexts, where different geographical scales are essential for effective policy implementation (Hupe, 2014: 177; see also Dörrenbächer and Mastenbroek, 2017; Egeberg and Trondal, 2016; Maggetti and Trein, 2019; Shore and Tosun, 2019; Thomann et al. 2019; Tosun et al., 2019a; Trein et al., 2019).

This empirical study acknowledges the merits of the existing literature in public policy and administration and uses it as a starting point for developing a theoretical argument concerning coordination in multi-actor implementation arrangements by borrowing from the literature on political economy (Hall and Soskice, 2001). To achieve this goal, the paper focuses on the *scope* of public-private actor coordination – that is, the share of private actors included in policy implementation arrangements (Sager, 2006). We therefore examine the institutionalisation of public-private partnerships, seeking to explain cross-country variation.

To assess public-private coordination empirically, we use an original dataset that analyses the multi-actor implementation arrangements in place for the Youth Guarantee in all 28 EU member states. Our research design comprises of two steps. First, we conduct multivariate regression analyses to assess the plausibility of hypotheses derived from the literature. Second, we inductively map the data to gain further insights into the scope of public-private coordination. Our findings show that there are differences in the extent to which the national governments include private actors in their implementation arrangements for the Youth Guarantee. The regression analyses support our argument originating from political economy research, namely that hierarchical structures of employer coordination decrease the scope of private-public coordination. Conversely, higher expenditures on active labour market policies increase the scope of private-public coordination. These results do not change even if we control for the allocation of corresponding funds, the number of young people that are particularly vulnerable to social exclusion, as well as the competencies of the public employment agencies. Furthermore, our data suggests that there exist specific country patterns of public-private coordination.

The remainder of this article unfolds as follows. First, we discuss in detail the concept of publicprivate policy coordination in multilevel systems and provide specifics on the Youth Guarantee. Next, we present our theoretical argument, before providing clarifications on our empirical and methodological approach and moving on to the presentation and discussion of our empirical findings. The final section is a conclusion.

2. Public-Private Policy Coordination in Multilevel Systems

The literature assigns two meanings to the concept of governance. On the one hand, normative accounts refer to governance in assessing the quality of government interventions, which in some research strands – especially those concentrating on foreign aid – corresponds to 'good governance' (see Brinkerhoff and Brinkerhoff, 2011). On the other hand, authors have also referred to governance in an empirical sense as interactions between state and non-state actors (see Auld et al., 2015). As a result, the literature on governance focuses on the coordination of social systems within the state, which is also known as its steering capacity in adopting and implementing public policy (Auld et al., 2015; Busetti and Dente, 2018; Kohler-Koch and Rittberger, 2006; Thomann et al., 2018).

Research in comparative politics and comparative public policy, meanwhile, has examined governance by adopting various approaches that facilitate fruitful comparison, such as the

examination of the nature of policy problems (see Dahlström et al., 2011; Hooghe et al., 2016; Peters, 2015). Despite the extensive insights provided by the literature, a research gap exists regarding how public and private actors coordinate themselves in delivering public policies (Bouckaert, 2017).

The literature on EU governance has already prepared the ground for addressing this perspective. Researchers in that field refer both to the community method (Scharpf, 1994) and to multilevel governance (Schakel et al., 2015), which vary concerning the scope of involvement of private actors, policy networks, and 'detached' political contestation (Kohler-Koch and Rittberger, 2006: 35). Overall, this literature has shown that the coordination of public actors (at different levels of government) and private actors is essential for the implementation of EU policies (Hupe, 2011, 2014; Hovik and Hanssen, 2015; Knill and Lehmkuhl, 2002; Mörth, 2009). More precisely, the involvement of private actors is likely to contribute to better policy design, facilitate policy implementation, and increase the legitimacy of EU policies.

For the EU context, we can observe a double 'coordination game': the *vertical relations* between the EU and the member states on the one hand, and the *horizontal relations* between different policy domains – which include respective subsystems comprising of both public and private actors – on the other. Scholars in European studies, such as Egeberg and Trondal (2016), have noted that European institutions affect the horizontal coordination of the domain-specific actors even at the national level.

In this study, we seek to develop this perspective further by analysing a European policy measure and how it is implemented by means of public-private coordination in the individual member states (see Crouch, 1986).

3. The European Youth Guarantee and the Need for Public-Private Coordination

While some member states have recovered quickly from the financial and economic crisis that unfolded in 2008 (Dunlop and Radaelli, 2017; Tosun et al., 2014), others have struggled with its negative consequences (most importantly economic recession) for many years. In this context, youth unemployment has appeared as one of the areas that has particularly affected the Southern European countries (Hörisch and Weishaupt, 2012; Cinalli and Giugni, 2013; Lahusen and Giugni, 2016; Marques and Salavisa, 2017; Tosun, 2017). The European Commission has actively endeavoured to combat youth unemployment, but the primary responsibility has largely remained with the member states (Lahusen et al., 2013). The EU's commitment to promote youth employment is widely perceived as being new in terms of its scope (Chabanet,

2014). Of the various measures adopted, the Youth Guarantee represents the EU's flagship initiative. It is accompanied by financial resources provided by the Youth Employment Initiative (YEI) (De la Porte and Heins, 2015). With a budget of 6 billion euros for the period covering 2014-2020, the YEI supports young people who fall into the category of NEETs ("Not in Education, Employment, or Training"; see Furlong, 2006) and live in regions where the youth unemployment rate was above 25% in 2012. The Youth Guarantee calls upon national governments to adopt measures which ensure that unemployed young people receive a concrete offer of a job, apprenticeship, traineeship, or continued education within four months of leaving education or becoming unemployed (Chabanet, 2014; Shore and Tosun, 2019; Tosun, 2017; Tosun et al., 2017, 2019a).

While the Youth Guarantee certainly represents an innovative policy instrument, the EU member states have leeway in designing how it is implemented. It is unsurprising that EU member states have this flexibility since congruent implementation is difficult to achieve in such a diverse environment as the EU (Hupe, 2011; Thomann and Zhelyazkova, 2017), where the causes of youth unemployment vary substantively across the individual member states. That said, the corresponding national implementation plans must adhere to guidelines specified by the Council of the EU (2013).

In this study, we focus on the first guideline, which requires the implementation of the Youth Guarantee to correspond to a partnership approach, which includes both public and private actors (see Aurich-Beerheide et al., 2015; Tosun, 2017; Zimmermann et al., 2014). Examples for such public-private implementation arrangements include the partnership between organisations representing young people and the relevant public authorities in charge of managing the national Youth Guarantee scheme. Another type of partnership concerns the relevant public authorities and private organisations that provide education and training. The member states can choose which public and private organisations participate in the implementation process (see Doyle et al., 2015; Manoudi et al., 2014).

Reports prepared for the European Commission identified national public employment services (PES) as the key public organisation for promoting youth employment. However, the European Commission finds that they "have to adapt their business model to respond to the challenges of youth unemployment, and to cooperate and help coordinate the efforts of a range of actors" (Manoudi et al., 2014: ii). Therefore, for an effective policy delivery of the Youth Guarantee, multi-actor networks must be coordinated appropriately (Tosun, 2017; Tosun et al., 2018).

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4. Explaining Varieties of Public-Private Coordination

Given the differences in the design of the various EU member states' political and administrative systems, it is unlikely that the requirement by the European Council to establish public-private coordination has led to similar results in all 28 countries. In this section, we develop theoretically grounded explanations for the differences in public-private coordination related to the implementation of the Youth Guarantee across EU member states. We begin by referring to the literature on political economy, which offers a compelling complement to the literature on public policy and administration, which itself dominates the debate on policy delivery. We complement our theoretical framework by arguments put forward by other literatures.

Political Economy Institutions and Public-Private Coordination

Our first explanation refers to the institutional context in which public and private actors coordinate (see Trein, 2017), which, in the case at hand, refers to the institutional configuration of the national political economy (Hancké et al., 2007). In the literature on comparative political economy, scholars have distinguished between different forms of capitalist economies that vary according to the coordination of public and private actors (Busemeyer and Jensen, 2012; Guardiancich and Guidi, 2016). The classic literature on Varieties of Capitalism (VoC) differentiates between coordinated market economies, such as Germany and Sweden, and liberal market economies, which include the United Kingdom and the United States (Hall and Soskice, 2001). Other research has added the categories of mixed market economies, as in the case of France and Italy (Molina and Rhodes, 2007), and Central European (King, 2007) or dependent market economies (Nölke and Vliegenthart, 2009), which comprise of the Czech Republic, Hungary, Poland, and the Slovak Republic. The main point this literature makes is that diverse institutional configurations lead to differences in how political economies aim to achieve competitiveness and how firms coordinate between themselves and with the public sector. We contend that the existence of different VoCs can affect the scope of public-private coordination in policy implementation in general and in the implementation arrangements for the Youth Guarantee in particular.

In coordinated market economies, large interest organisations are tightly connected with public actors, whereas the links between public and private actors in liberal market economies are weaker and based on less stable and unilateral interactions (Hall and Soskice, 2001: 23-27). In dependent market economies, the main mechanism of coordination resides within large

transnational corporations (TNCs) and between TNCs and public actors. Nevertheless, compared to coordinated market economies, TNCs rely on firm-level negotiations and do not engage in high-level bargaining (Nölke and Vliegenthart, 2009: 676-678). Mixed market economies feature a pervasive state that engages in direct production, regulation, and correction of coordination failures. Instead of enlisting private actors in new coordination efforts, the public sector will deal with such problems on its own, for example through a large public sector or restrictive labour laws. Therefore, state regulation and mediation are key features of mixed market economies (Molina and Rhodes, 2007). This implies that, in mixed market economies, 'the state' – i.e. public sector organisations – is expected primarily to deal with the implementation of the Youth Guarantee and to enlist private actors only to a very limited extent. Consequently, we postulate that there should be public-private coordination of a limited scope in mixed market economies compared to countries with coordinated, liberal, or dependent market economies (Hypothesis 1).

Existing Actor Networks for Active Labour Market Policies

Our second explanation assesses the need to 'recruit' (new) private actors for public-private coordination (Bonoli, 2010, 2013). It is fair to assume that the existing implementation arrangements for active labour market policies (ALMPs) affect how the Youth Guarantee is implemented in a country, including the scope of coordination between public and private actors. ALMPs are part of a series of policy measures that aim to deal with social change and 'new' social risks, such as the deindustrialisation and tertiarisation of employment, women's entry into labour markets, increased instability of family structures, and the destandardisation of employment. To adapt to these new social risks, countries have reformed their welfare states and begun to spend on appropriate policies. The extent to which governments spend on new social policies varies between European countries. Nordic countries especially, such as Sweden and Denmark, have invested heavily in public policies dealing with new social risks, whereas Continental and Southern European countries tend to spend less on these policies (Bonoli, 2007: 506-508). The implementation of ALMPs often entails policy mixes, which comprise, for example, of investment in direct job creation, employment assistance, or job training (Bonoli, 2010; Hörisch and Weishaupt, 2012; Tosun, 2017; Tosun et al., 2018; Marques and Hörisch, 2019). It also requires public and private actors to collaborate to some degree.

When facing the demand to coordinate public and private actors for the implementation of the Youth Guarantee, governments that already spend a lot on ALMPs can resort to existing multiactor networks that comprise public and private actors. By contrast, governments with lower expenditures on ALMPs will need to create new networks in order to implement the Youth Guarantee. In other words, countries that have already invested substantially in ALMPs have an existing consolidated policy sector (i.e. a mature policy subsystem (Jones and Jenkins-Smith, 2009), which multi-actor networks can use to implement the Youth Guarantee. The governments of these countries will not create additional public-private partnerships for implementing the Youth Guarantee but continue to use the institutional arrangements already in place. Therefore, we postulate that governments of countries with larger expenditures on ALMPs are likely to opt for a narrower scope of public-private coordination in their national implementation plans for the Youth Guarantee (**Hypothesis 2**).

Additional Explanations

The first alternative explanation harks back to functional necessity for multi-actor implementation (Chisholm, 1992; Peters and Savoie, 1996). This argument considers policy decisions to be linked to real-world problems, which in our case is the number of young people particularly vulnerable to social exclusion, and who are the main target group of the Youth Guarantee: i.e. the NEETs. With higher NEETs rate rates, governments face increased pressure to expand public-private coordination in order to deliver on the Youth Guarantee, independent of the institutional characteristics of the political economy and pre-existing multi-actor implementation networks (**Hypothesis 3**).

The second alternative explanation accounts for coordination demands put forward by the EU (Peters and Savoie, 1996). The Council's guidelines regarding the implementation of the Youth Guarantee require the member states to adopt a partnership approach. Implementation research that draws from the principal-agent-perspective contends that governments are likely to follow the stipulated 'chain of command' if they expect a financial reward (Hupe, 2011). As a result, if national governments, the 'agents', receive payments from the financial programme of the Youth Guarantee, the YEI, they are more likely to comply with guidelines formulated by the European Commission, the 'principle'. Under these circumstances, the payments contribute to rendering horizontal public-public and vertical public-private coordination successful (Egeberg and Trondal, 2016). Therefore, the more YEI funds national governments receive, the more likely they are to expand the scope of public-private coordination in their implementation of the Youth Guarantee (**Hypothesis 4**).

The third alternative explanation points to the competencies possessed by the PES in policy implementation. According to Tosun (2017), the PES can be given responsibility for the

coordination, outreach, registration, service, and follow-up of the implementation of the Youth Guarantee. When the PES is assigned the competence for coordination, during the evaluation of its performance, the European Commission and the national governments will primarily assess how this particular organisation has fulfilled its function. If it fails to deliver on coordination, the PES could also be blamed for failing to implement the Youth Guarantee successfully, which may tarnish its reputation and result in tangible sanctions, such as a reduction in its budget. Therefore, it is reasonable to expect that if the PES has more competencies regarding coordination of the Youth Guarantee, the scope of public-private coordination will expand (**Hypothesis 5**).

5. Empirical Approach and Operationalisation

Our empirical approach entails a two-step analysis that combines multivariate regression models with an inductive mapping of the data and aims to explore differences between countries in more detail (Yom, 2015). The regression analyses test the hypotheses derived in the previous section. The subsequent inductive analysis offers theoretically relevant insights beyond the deductively generated hypotheses. We explore clusters of countries regarding public-private coordination by following the approaches by Loughlin and Peters (1997) and Bonoli (2007).

Our empirical analysis is based on data for 28 EU member states. To operationalise the scope of coordination of public and private actors regarding the implementation of the Youth Guarantee, we created a dataset that uses the implementation plans of the individual member states and counts the public and private actors mentioned therein. The public actors include, for example, the PES, sectoral ministries (e.g. the ministry of education), and regional and local governments. Private actors, meanwhile, include, for example, employer organisations, labour unions, youth councils, and private organisations that organise training and placement services for young people. All countries, except for the United Kingdom, published such an implementation plan. Although the British government did not publish a plan, it has in place measures similar to those in other countries so that it could still benefit from Youth Guarantee payments. This allows us to include the United Kingdom in our analysis (see Zimmermann et al., 2014; Hutchinson et al., 2016).

To assess *public-private coordination* (our dependent variable), we calculate the percentage of private actors mentioned in the Youth Guarantee implementation plans. More precisely, we count the actors – both public and private – mentioned in the plans and calculate the percentage of private actors among the share of all actors. If the implementation plans were not available

in English language, we contacted experts in the countries concerned and asked them to help us with the coding of the information.³

We deliberately focus on the dimension of the scope of public-private coordination, primarily because of data availability. It is clear that our measure includes only the share of private actors and that we do not account for the relative importance of individual actors as measured, for example, by their level of involvement or their relevance for actually finding young people employment. While acknowledging this limitation, the scope of private actors included in the implementation arrangements is a relevant dimension for the analysis of private-public coordination in policy implementation (Sager, 2005). Our measurement captures exactly this kind of variation. In addition, it allows us to construct a measurement that is suitable for cross-country comparison, for it concentrates on institutional structures rather than the actors' capacities. Moving forward, our measurement can be expanded to include other dimensions of coordination, such as the substance (Sager, 2005) and the degree of coordination (Jordan and Schout, 2006).

We concede that there might have been a reporting bias in the information used for coding the dependent variable as some countries might have reported their implementation partners more accurately than others. For example, we could expect more accurate reporting if the country expected higher payments from the YEI. We cannot entirely rule out such reporting biases. Nevertheless, using percentages of public-private actors included in the implementation process, and controlling for funding that a country receives from the Youth Guarantee, allows us to address this problem to some extent.

To operationalise the explanatory factors discussed above, we use the following information: to determine a country's *Expenditure* on *ALMPs* and its *NEETs Rate* (15-29-year olds), we rely on data from the Eurostat database. We add another variable that combines the expenditure for ALMPs and family policy (*Expenditure Combined*); these data are also taken from Eurostat. To measure *Mixed Market Economy*, we rely on a binary variable that takes the value 1 if the country can be regarded as a mixed market economy and 0 otherwise.⁴ We employ the data reported by Tosun (2017) for payments received from the *YEI*.

³ The countries for which we contacted experts were Bulgaria, Cyprus, Hungary, Lithuania, Portugal, and Slovakia. ⁴ We coded Cyprus, France, Greece, Italy, Malta, Portugal, and Spain as mixed market economies. We follow the logic outlined by Hall and Soskice (2001) as well as Molina and Rhodes (2007), although these works do not explicitly mention all the countries that we coded as mixed market economies.

To measure the influence of the PES on Youth Guarantee implementation, meanwhile, we generate two further variables. One of these gauges whether the *PES Role* in the implementation arrangements uses the information detailed by Tosun (2017). The variable ranges from 0 to 2 and counts whether the PES has the overall responsibility and/or a coordinating role regarding the Youth Guarantee or whether it plays no role at all. The second variable, *PES Competence*, varies from 0 to 4, with a maximum score meaning that the PES is responsible for outreach, registration, service, and follow-up. The values of the variable change depending on the number of areas for which the PES is competent. Table 1 summarises these data.

Hypothesis	Variable	Obs.	Mean	Std. Dev.	Min.	Max.
	Scope of Public-Private Coordination	28	34.203	19.074	0	70
1	Mixed Market Economy	28	0.25	0.441	0	1
2	Expenditure ALMPs	28	55.225	77.621	1.390	339.785
2	Expenditure Combined	28	0	494.993	-422.720	1743.540
3	NEETs Rate	28	7.3661	3.04919	3.450	16.200
4	YEI	28	35.640	34.193	0	119.351
5	PES Role	27	2.715	0.801	1.300	4
5	PES Competence	27	0.741	0.813	0	2

Table 1: Descriptive Statistics

6. Explaining Public-Private Coordination in Europe

The first part of our analysis focuses on the relationship between the inclusion of private actors in implementing the Youth Guarantee and the set of explanatory factors introduced in the section outlining our theoretical argument. The results of the linear multivariate regressions in Table 2 show that there is a negative relationship between higher expenditures on ALMPs and the scope of private actor inclusion in the implementation of the Youth Guarantee. If the political economy in a country is a mixed market economy, the scope of private actors who participate in implementing the Youth Guarantee is much smaller. The effect is stronger for the

variable measuring mixed market economies.⁵ The other variables fail to produce coefficients that are different from zero at conventional levels of significance.

 $^{^{5}}$ The differences in effects can be partly attributed to coding, because the institutional context is a binary variable – as opposed to the data on expenditure for active labour market policy, which measures expenditure per capita. Both estimators are statistically significant at the 5%-level.

Table 2: Regression results

	Model 1 Coefficients (S.E.s)	Model 2 Coefficients (S.E.s)	Model 3 Coefficients (S.E.s)	Model 4 Coefficients (S.E.s)	Model 5 Coefficients (S.E.s)	Model 6 Coefficients (S.E.s)	Model 7 Coefficients (S.E.s)	Model 8 Coefficients (S.E.s)
	· · ·	· · ·	· · ·		. ,			
Expenditure	-0.098**			-0.093**		-0.087**	-0.092**	
ALMPs	(0.039)			(0.045)		(0.036)	(0.036)	
Expenditure Combined		-0.014***						-0.017*
		(0.005)						(0.008)
Mixed Market			-18.401**		-22.929**	-22.201***	-22.804**	-24.291***
Economy			(7.763)		(8.885)	(7.525)	(8.313)	(7.896)
YEI				-0.067	0.113	0.073	0.149	0.094
				(0.111)	(0.119)	(0.109)	(0.116)	(0.135)
NEETs Rate				0.902	1.491	0.779	0.735	0.412
				(1.511)	(1.134)	(1.143)	(1.281)	(1.311)
				· · · ·			-0.152	0.111
PES Role							(4.393)	(4.414)
							5.450	4.094
PES Competence							(3.977)	(3.704)
Constant	38.939***	33.517***	38.117***	34.388***	24.244***	35.548***	30.907*	30.854*
	(4.072)	(3.619)	(4.139)	(11.844)	(8.061)	(8.936)	(16.253)	(16.019)
Adj. R ²	0.11	0.08	0.13	0.07	0.17	0.25	0.20	0.21
F-Test	6.41**	8.17***	5.62**	2.45*	2.97*	4.01**	3.40**	2.50*
Observations	28	28	28	28	28	28	27	27

Notes: Robust standard errors. * p<0.1, ** p<0.05, *** p<0.01. Models 7 and 8 exclude Spain due to lack of information on the PES.

To better interpret the results of the regression analyses, we offer a visualisation of the results. We present two plots (both based on Model 6 in Table 2), one of which shows the results (broken down by countries) for expenditure on ALMPs (Figure 1) while the other presents the results for the mixed market economy variable (Figure 2). Notably, these graphs allow us to demonstrate how the various European countries are placed in relation to one another across the range of the regression coefficients. The visualisation reveals some interesting results. Denmark and Sweden are outliers in the sense that they both combine comparatively high expenditures for ALMPs with a great scope of public-private coordination in their implementation plans. If we exclude these two countries from the analysis, the size of the coefficient of ALMPs increases considerably (from 0.09 to 0.31).⁶ Overall, however, the two countries fit the broader picture – namely, that higher ALMPs expenditures go hand in hand with public-private coordination of a lower scope in the implementation process. This finding arguably stems from the existence of networks of public and private actors that were established before the adoption of an implementation strategy for the Youth Guarantee. The results remain stable, even if we use the combined measure of expenditures instead of the expenditures on ALMPs only.

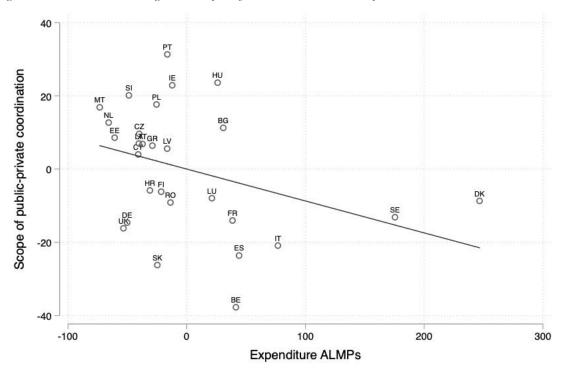
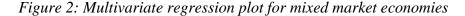


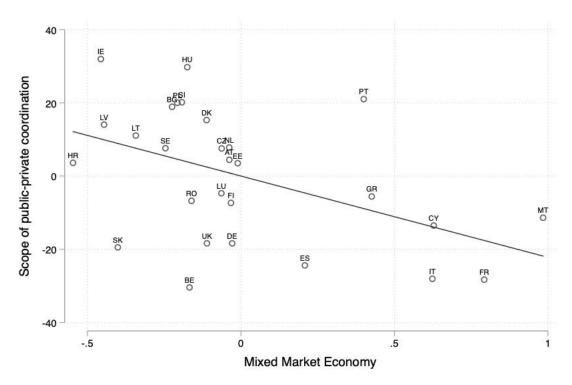
Figure 1: Multivariate regression plot for labour market expenditure

Notes: The plot is based on Model 6 in Table 2.

⁶ Estimation results can be obtained from the authors upon request. Furthermore, the results remain stable if we exclude Belgium, which has not one national plan for Youth Guarantee implementation but three, one for each of the regions (that of the Brussels-Region, Flemish-Region, and Wallonia-Region).

The results of the regression analyses also show that countries with mixed market economies include fewer private actors in the implementation of the Youth Guarantee (Figure 2). The coefficients for Cyprus, France, Greece, Italy, Malta, and Spain are distributed nicely around the regression line. Only the coefficient for Portugal is an outlier, since it reports too great a scope of public-private coordination for the implementation of the Youth Guarantee given its political economy. These results support our argument that in countries where the state takes an important role in the economy, fewer private actors tend to be included in the implementation of the Youth Guarantee. Notably in these countries, a pervasive state engages in the direct production of public goods and regulation, as well as the correction of coordination failures. Consequently, mixed market economies hand the main responsibility for implementing the Youth Guarantee to the public sector.





Notes: The plot is based on Model 6 in Table 2.

7. Mapping Public-Private Coordination across Europe

We now turn to the second part of our empirical analysis and explore if there are country clusters regarding public-private coordination in Youth Guarantee implementation (Loughlin and Peters, 1997). The goal of this section is to engage in theory-building beyond the hypotheses tested already. To map the countries, we plot the results on a graph, with the share of private

actors in the implementation of the Youth Guarantee on one axis, and the spending on new social risk policies (*Expenditure Combined*) on the other (Bonoli, 2007).

Figure 3 reveals some interesting results concerning public-private coordination in the implementation arrangements of different countries. The data reiterate the findings presented above and reveal three clusters of countries. The first cluster comprises of countries with relatively low expenditure on policies related to new social risks and frequent mentions of private actors. The mentions of private actors accounts for more than 40 percent in the implementation plans of Bulgaria, Czech Republic, Estonia, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, the Netherlands, and Slovenia. The second group reports a lower degree of involvement of private actors as well as higher spending on policies on new social risks. This cluster includes Austria, Denmark, Finland, Sweden, and the United Kingdom. Luxembourg is an outlier due to its high expenditure on new social risks as well as an even lower share of private actors involved in coordinating the implementation arrangements. This group consists of Belgium, Cyprus, France, Greece, Italy, Malta, Slovakia, and Spain.

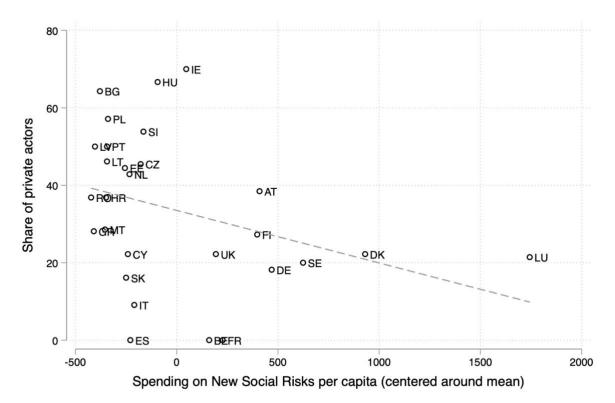


Figure 3: Percentage of private actors and spending on new social risks

The data show that countries from Eastern Europe (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, and Slovenia), together with a few countries from other regions (Ireland, the Netherlands, and Portugal), report a higher share of private actors included in the implementation of the Youth Guarantee. In these countries, networks for coordinating public-private actors who implement policies aimed at tackling new social risks and unemployment are lacking. Due to the dominant role of TNCs rather than many small and mid-size enterprises, there are no networks coordinating public and private actors in economic policymaking. Furthermore, TNCs will not engage in high-level wage bargaining nor invest in innovation-relevant skills as they transfer innovations from other countries (Nölke and Vliegenthart, 2009: 676-678). Considering this, it is unsurprising that the countries in this group reported to establishing new structures for public-private coordination relevant to the Youth Guarantee.

Overall, these results suggest a convergence in coordination arrangements between the different groups of political economies in the context of Youth Guarantee implementation (see also Tosun et al., 2019b). First, countries with emerging market economies (located in Eastern Europe) develop structures for public-private coordination. Second, countries belonging to other groups of market economies, such as Portugal, the Netherlands, and Ireland, are also in the group that has a large share of private actors, which implies that the Youth Guarantee is an occasion for these countries to invest in public-private coordination. In that sense, the Youth Guarantee has the potential to contribute to the harmonisation of implementation procedures in the EU member states.

8. Discussion of the Findings

Our analyses have endeavoured to explain differences in the inclusion of private actors for implementing the Youth Guarantee across the individual member states of the EU. We argued that two mechanisms account for these differences. First, countries that spend more on ALMPs are likely to adopt a restricted public-private coordination in their implementation plans because they can already draw on existing networks. Second, we hypothesised that mixed market economies would see a smaller scope of private actor inclusion in the implementation of the Youth Guarantee compared to other types of market economies, given that public actors play a central role in economic and labour market policy coordination. Our empirical findings support both lines of reasoning and remain robust when controlling for additional factors. Third, our results also show that especially emerging market economies report having many private actors in their Youth Guarantee implementation programme. We argue that this is because these

countries, in contrast to other EU member states, need to catch up regarding the establishment of public-private coordination in social policy implementation.

To corroborate our results, we discussed alternative explanations for cross-country variation in the implementation plans. The varying extent to which private actors are included in the implementation process could also be due to differences in how countries comply with EU law and regulation. Member states with mixed market economies are also those that have weaker compliance with EU law (see Falkner and Treib, 2008). Given this, the finding that mixed market economies have observed a lower share of private actors in their implementation plans could be a consequence of the respective national culture regarding EU compliance. Put differently, some countries may be inclined to provide more details in their implementation plans compared to others because they follow their national practice of implementing EU policies.

However, an in-depth analysis of the implementation plan prepared by the Greek government helps to undermine the validity of this alternative explanation. Once Greece's macro-economic policy came under the control of the European Commission, the European Central Bank, and the International Monetary Fund, the Greek government had a strong incentive to comply strictly with the creditors' reporting demands (Vagionaki, 2018), as well as with the relevant EU policy measures, due to international scrutiny (see Armingeon and Baccaro, 2012). Considering the rise in youth unemployment in the wake of the Greek sovereign debt crisis, the Youth Guarantee can safely be regarded as a piece of relevant EU policy. Indeed, the Greek report was very detailed and included a carefully prepared overview of all public and private actors involved in the implementation of the Youth Guarantee. The implementation regime outlined out by the Greek government lends support to our argument that, in mixed market economies, governments tend to include fewer private actors in their implementation of the Youth Guarantee.

9. Conclusion

The economic and financial crisis posed a series of major challenges both to the EU as a whole and to its individual member states, albeit to varying degrees (Tosun et al., 2014). The German labour market, for example, proved to be particularly robust, both during and after the crisis (Dunlop and Radaelli, 2017; Hörisch and Weishaupt, 2012; Shore and Tosun, 2019). In marked contrast, countries in the South of Europe (particularly Italy, Greece, and Spain) have experienced a surge in youth unemployment (Marques and Salavisa, 2017; Tosun, 2017), which

has resulted in the promotion of youth-oriented policies by the European Commission for the EU as a whole (see Chabanet, 2014; Lahusen et al., 2013). The design of the measures then adopted primarily corresponded to ALMPs (see Bonoli, 2010, 2013), which work best when implemented by multi-actor networks. In this study, we have attempted to analyse what these networks and the coordination among the different actors involved look like.

In their insightful study, Auld et al. (2015) arrive at the conclusion that the coordination of public and private actors is characterised by both empowerment and control. We, in turn, have showed that the institutional arrangements for implementing the Youth Guarantee in individual EU member states have varied in the extent to which public and private actors cooperate with one another. It is evident that public actors cannot master the challenges associated with youth unemployment by themselves, and they have therefore designed arrangements in which private actors provide support. We could also observe this trend in other areas of state action, such as migration (see Dörrenbächer and Mastenbroek, 2017). Our study has shown that both a hierarchical structure of national political economy and prior expenditure in ALMPs affect the extent to which private actors are included in the implementation of the Youth Guarantee. This is an important contribution to the literature on policy implementation and the design of governance arrangements in the multilevel system of the EU (see, e.g. Kohler-Koch and Rittberger, 2006).

While this paper has focused on the EU, we are positive that the analytical framework developed in it can be applied to designing institutional arrangements in any multilevel polity as well as in any policy domain that is of a cross-cutting nature. While an additional empirical test of our explanatory framework would go well beyond the scope of the present analysis, we invite future research to apply it to a wide range of different cases. One shortcoming of this analytical approach is that the explanatory variables tested were restricted in number; indeed, the regression models were limited given the low number of cases. Nevertheless, we encourage future research to subject our findings to a robustness test by fitting models with a different battery of potential explanatory factors. Finally, this study analysed a specific form of public-private partnership, and we would thus invite researchers to adopt broader concepts in future and to contrast our findings with the results of further analyses. Above all, future research should conduct in-depth analyses of the role of particular public and private actors in the coordination of the Youth Guarantee. Furthermore, coming research should identify the conditions under which the multilevel policy implementation (Hupe, 2014) of the Youth

Guarantee actually contributes to solving the policy problem, i.e., the high rate of unemployment.

Altogether, we believe that this study offers a promising lens for combining governance research with empirical phenomena, which are typically addressed from the perspective of political economy. The governance angle is conducive to developing a better understanding of the role played by economic and societal actors in policy implementation, and thereby adds a valuable accessory to the toolkit of researchers working in this area.

In addition to the theoretical implications and the empirical insights of our study, this research is also interesting for practitioners. This paper provides some valuable insights into multilayered problems (Hupe, 2014), which is a persistent issue in the stud of policy implementation. Member states are supposed to implement the Youth Guarantee by using guidelines and nonbinding directives, which also encompasses the coordination of public and private actors. Interestingly, there is a significant variety in the degree to which member states reported their intention to follow the guidelines which detailed how to implement the Youth Guarantee through public-private coordination. In this regard, the Youth Guarantee is an example of policy implementation in a multilevel context characterised by the dispersion of sovereignty over various levels of government, which grants implementing agents flexibility in how they interpret the policy guidelines (Thomann and Zhelyazkova, 2017).

While this is no problem or limitation per se, it is important to keep this variation in the implementation regimes in mind when evaluating the effects of the Youth Guarantee. Given the variation observed in the implementation arrangements, we expect that the effects of the Youth Guarantee will deliver different results in the member states. When evaluating these effects and deciding whether the Youth Guarantee should be continued, it will be important to assess both the overall effects across the EU and the specific effects in the individual member states, which will, in part, result from the varieties of public-private policy coordination. If the differences in implementation regimes do not receive due consideration, it is possible that the effects of this particular measure will not be appraised adequately, leading to suboptimal policy decisions. Considering the innovative character of the Youth Guarantee (Chabanet, 2014), a differentiated approach to evaluating it appears desirable both for its target groups and for policy scholars interested in analysing it.

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