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Whither EU Social Policy? An Account and Assessment of Developments in the Lisbon Social Inclusion Process

MARY DALY

School of Sociology, Social Policy and Social Work, Queen's University Belfast BT7 1NN
email: m.daly@qub.ac.uk

Abstract

The study of EU social policy highlights a number of issues especially well, among them the unfolding institutionalisation of a social field in EU politics and policy, and the changing nature of economic and social governance in Europe. This article examines recent EU social policy, following the course of the Lisbon strategy since it got underway in 2000. Focusing on the social inclusion process, the aim is to identify development over time, to review progress critically and to offer some explanation for events. Analysis is centred on an interrogation of the social policy model and the cognitive aspects of the process, especially as they are to be seen in the production of national policy plans and the responses to these on the part of different EU actors. A conclusion drawn is that, while social exclusion has provided an innovative focus within an EU context, the process as a whole is timid and key elements are weak. This is a spur to further analysis and so the article goes on to identify limitations in terms of design, rationale, and the place of the social inclusion Open Method of Coordination (OMC) the revised Lisbon Strategy. In effect, the conditions necessary to realise the new method and social vision are not in place. A key conclusion is that with survival under threat, the need to continually reinvent itself may actually be the death knell of the social process.

Introduction

EU social policy is far from easy to understand, especially if viewed from the vantage point of national social policy. In fact, the EU turns much of the conventional understanding of social policy on its head. Instead of fields typically deriving from different kinds of risk coverage or functional spheres, the social dimension of the EU is likely to be expressed through policies on agricultural support and territorial inequalities. There is redistribution at the EU level, but it is interstate in nature and within that sectoral and spatial rather than among income groups and risk categories. Secondly, EU social policy is scattered, consisting of what seem at best loosely connected fields. The EU is missing the core domains (social protection, income redistribution, income adequacy) that constitute social policy at the national level. Thirdly, EU social policy develops differently. Just when it seems to be settled in terms of core constituents, it initiates a new growth

spurt, assuming a new momentum if not form. In many ways, social policy is improbable at the EU level, tightly constrained by legal provision, a protectionist stance towards their own social policy territory on the part of member states and the dominant market character of the EU project. Against a relatively complex and unfamiliar backdrop, there is a need for a more precise understanding of the new forms of EU social policy, their significance, and what is driving developments. The abiding question is: does the EU have a policy process in this field and if so how is it to be assessed and characterised?

In a context of rapid recent expansion, this contribution charts the main developments in EU social policy in its latest growth spurt: the Lisbon process which commenced in 2000. Its centrepiece will be an outline and critical assessment of how social policy under Lisbon is working out (up to the end of 2006). The assessment is organised around the central elements of the Lisbon approach, in particular the vision of social policy and how key actors have involved themselves in the process. The analytic approach adopted takes an integrated view, seeing the OMC as a policy vision and method of policy making combined. It is 'integrated' in another sense as well: the social OMC is part of the larger Lisbon Strategy and must be analysed as such. One also has to locate developments historically: while they are neither foretold nor innovation foreclosed, developments at the EU level sometimes have a long gestation, and complexity means that origins, political intent and interests are neither self-evident nor necessarily in synchronisation. Methodologically, the paper rests on an analysis of the main documents produced to date as part of the process (in particular, the mission statements issued by the Council, Commission and other bodies, the plans produced by member states and the EU's official responses to these). These documents are analysed both for how they shape and construct the social inclusion process, and for what they indicate about the EU's evaluation of progress towards common objectives and member state commitment in that regard.

Background

History tells us that EU social policy is not evolutionary in any simple way. Social policy within the EU is best described as fitful: periods of intense activity followed by times when social policy is hardly spoken of. Over the 50 (effectively 30) years of its lifetime, EU social policy has had only three growth spurts, and one of these was in the last half decade. The first was in the early 1970s, when social democratic interests (some member state governments, some Commission staff and actors associated with trade unions) engineered the production of a social action programme. Prefiguring later developments and in keeping with the thrust of the EU project at the time, the three broad goals of the first social action programme (of 1974) were: the attainment of full and better employment, upgrading of living

and working conditions and increased involvement of the social partners in the economic and social decisions of the European Community. Guiding legislative and some funding activities for six or seven years, the programme left a lasting imprint on only two areas: equality of women and men with regard to labour market opportunities and treatment in employment; health and safety at work. One of the lessons learned from this first period is that it is hard for social policy to 'stick' at the EU level.

The second growth spurt took place between the late 1980s and early 1990s, during the period when Jacques Delors was President of the Commission. In this period, social policy was conceived in terms of the 'social dimension', especially as it pertained to the internal market project. Drawing a rationale from the German 'social market economy', discussion was framed in terms of the assumed functional necessity for markets to be socially regulated (Streeck, 1995: 43). Labour market issues dominated as in the earlier period, although the terminology was different. The main achievement of this period was the passage of the (non-binding) 'Community Charter of Basic Social Rights for Workers' and a related 'action programme' at the Community's summit in December 1989. The former was attached to the Maastricht Treaty (of 1992) as a 'Protocol on Social Policy' (which was ratified by all member states apart from the UK). It brought two major innovations, both in the institutional governance of EU social policy: extending qualified majority voting to health and safety of workers, working conditions, equal treatment and the integration of persons excluded from the labour market; extending the ability of collective bargaining partners to intervene in agenda-setting around EU social policy (Lange, 1993: 10). Opinion is divided about the period. For some it is a catalogue of underachievement, especially in terms of the set of 'rollbacks' associated with the Social Charter: its shift from rights of citizens to rights of workers, its non-binding character, and its 'special track' nature (in the sense that social policy was to proceed without full agreement given the UK opt-out). Set in the longer view, however, it could be argued that the Delors period, as well as delivering institutional innovation which would open up future options for EU social policy, incubated the concept of social exclusion, readying it as a social policy idea to be deployed once the right conditions prevailed.

This brings us to the third growth spurt: the Lisbon period which is still underway. The agreement reached at Lisbon offered both a new opportunity for EU social policy and a policy-making methodology to realise a model of social policy organised around social exclusion as the problem definition. It emerged in a period when left-of-centre interests held power in Europe and in a context in which, with enlargement imminent, there was a need to deepen the *acquis* in the social policy field. As of December 2006, Lisbon had resulted in three sets of national action plans for the EU 15 and one for the ten new member states, one round of 'implementation reports', 22 peer reviews (of member state policy innovations that are considered interesting and relevant

to the EU process), and the expenditure by the EU of some €75 million on action projects that enhance the understanding and quantification of social exclusion, improve policy coordination and promote participation and dialogue (through the accompanying Community Action Programme which ran from 2002 to 2006 and is now replaced by a new programme known as 'PROGRESS').

The social inclusion process in action (2000–2006)

Development path

With a catchphrase of 'knowledge-based economy' (or sometimes 'knowledge-based society'), the Lisbon text set three policy goals for the EU: more jobs, more competition and greater social cohesion. Unlike 'big moments' in the past, especially in the lead-up to the Single European Act of 1985, social policy was neither downplayed nor ignored at Lisbon. A number of social policy concepts were highlighted. Social cohesion is widely referred to in the text, although the overarching rhetoric is of 'modernising social protection'. The latter focus is important to bear in mind, not least because it helps explain the otherwise seemingly sudden turn to a strong role for social policy in the EU. In fact, just three months before Lisbon, the December 1999 European Council meeting agreed four objectives towards the end of modernising social protection[1] and the thematic (if not objective) had been present for at least ten years in EU discourse on social policy. Social Lisbon, therefore, had a prior history in EU events and ideas.

In terms of orientation, Lisbon framed the modernisation issue mainly as one of bolstering the sustainability of social benefits (especially pensions) and promoting social inclusion (Council of the European Union, 2000a). The latter was set out as an element of a successful European society, albeit that the dominant diagnosis in Lisbon was of how social exclusion detracts from economic performance. In terms of approach to policy making, Lisbon codified a methodology based on common guidelines, review and deliberation and consolidating and expanding a form of policy making (the Open Method of Coordination) that had been operating since 1997 in the field of EU employment policy, and even earlier in the case of economic policy. The process is novel, as a form of EU governance and as a method of (social) policy making. Member states agree on a set of non-binding common objectives, prepare on a regular basis national action plans which set out their policy plan to meet the common objectives, the Commission then evaluates these and publishes them in Joint Commission/Council reports, and a set of indicators is developed to allow for performance monitoring and, ideally, frame convergence. These methods have been theorised especially as involving normative and cognitive elements. 'Open coordination', says Radaelli (2003: 8), 'may work like a radar searching for solutions and new usable knowledge'. The development of common discourses, key concepts, policy principles and shared understandings of causal linkages is instrumental in the development of these processes (Borrás and Jacobssen, 2004: 196).

Since the beginning of 2006, the social inclusion process has been changed significantly. The impulse for reform was dissatisfaction with the performance of the Lisbon Strategy, especially in terms of whether it was (capable of) fulfilling its objectives on growth and jobs (had it been oversold?). A series of reviews was undertaken, the most high profile and influential being that of the High Level Group chaired by Wim Kok. The resulting Kok report (European Communities, 2004a) was heavily critical of the entire process, especially for an 'implementation gap' and a 'lack of determined political action'. The social inclusion elements were singled out for particular rebuke: an example of where the Strategy was too 'broad', 'about everything and nothing', among other things impeding a clear narrative. The report recommended that the Lisbon programme be re-invigorated by a closer and exclusive focus on economic growth and jobs, and by intensified peer pressure on member states. The Spring Council meeting in Brussels in 2005 retained social inclusion as a priority commitment, but agreed that growth and jobs would become the central focus of a revised Lisbon Strategy in which the governance method is 'reform partnerships' between the Commission and member states and between national governments and domestic stakeholders (Council of the European Union, 2005). What has been happening?

Social policy paradigm

A major contribution of the Lisbon process has been to put substance on social exclusion – a novel concept – as a template for social policy. This is a diverse and very general idea that has not heretofore been a core model for social policy development in Europe (or elsewhere). There have been a number of iterations by the EU of how social policy should target social exclusion as part of a concerted strategy. Table 1 presents the original common objectives, agreed at the Nice Council meeting in December 2000 (Council of the European Union, 2000b), and the revised ones which were agreed in 2005 (Commission of the European Communities, 2005b). These objectives form the centrepiece of European 'coordination' on social policy and they are a key part of the process of rolling out the agreed social policy vision of Lisbon.

In the context of EU policy to date, and even in comparison to national social policy, the original objectives, while very general, were innovative and in a social policy context potentially radical. Taken together, they spelt an approach that married access to employment, rights, resources, goods and services with helping the most vulnerable, preventing social exclusion and activating a range of interests and bodies. The first objective had a social rights orientation and, given the subsequent predominance of an employment activation approach in the reform of social policy in Europe, its 'twinning' of economic participation with access to a range of resources, rights, goods and services, evokes notions of citizenship as a potential alternative route of welfare reform. Perhaps the greatest

TABLE 1. Original and revised common objectives for the EU social exclusion process.

Original	Revised[a]
To facilitate participation in employment and access by all to resources, rights, goods and services	Guarantee access by all to the basic resources, rights and social services needed for participation in society, while addressing extreme forms of exclusion and fighting all forms of discrimination leading to exclusion
To help the most vulnerable	Ensure the active inclusion of all by promoting participation in the labour market and by fighting poverty and exclusion among the most marginalised people and groups
To mobilise all relevant bodies	Ensure that social inclusion policies are well-coordinated and involve all levels of government and relevant actors, including people experiencing poverty, that they are efficient and effective and mainstreamed into all public policies . . . that they are gender mainstreamed
To prevent the risks of exclusion	

Note: [a]These are the common objectives for the social inclusion stream. There are also three over-arching objectives for the streamlined process as a whole. They aim to promote social inclusion for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies; interact closely with the Lisbon objectives on achieving greater economic growth and better jobs and with the EU's sustainable development strategy; strengthen governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy.

novelty was the idea of mobilisation or voice, however. Drawing upon three roots – the multi-faceted understanding of social exclusion developed through the EU-funded poverty programmes and Observatory on Policies to Combat Social Exclusion during the 1980s and 1990s,[2] a turn to activation on the part of the EU (as expressed especially through the European Employment Strategy), and the strong promotion of mobilisation by the 'poverty sector'[3] – the core idea here is that the poor and excluded themselves should be engaged in and by the political process.

This frame, with some minor modifications,[4] guided the process up to the end of 2005 (during which two rounds of national action plans were presented). Following the Kok report and the mid-term review of the Lisbon Strategy, the common objectives were significantly changed. Against a background where growth and jobs were designated as the overarching objectives of the Lisbon process and social inclusion depicted as something of a spin-off or 'value-added', the policy focus or driver was changed in the social domain (Commission of the

European Communities, 2005b). In particular, social inclusion was merged with the other two, younger, OMC processes in the social field – pensions and health care – under the overall rubric of 'social protection and inclusion'. This is one significant change. A second is the reframing of social exclusion itself (compare the two columns of Table 1). A number of changes are evident. First, rather than addressed by universalistic type measures, there is now a strengthened reference to social exclusion as a process affecting the most marginalised. Secondly, activation has become more prominent; the term 'active social inclusion' is now used, defined to mean participation in the labour market. This in turn has meant that the references to social exclusion have fallen away as the programme has developed; notions of social inclusion have come to replace those of social exclusion. Thirdly, the efficiency of policies and their interaction has become a dominant concern (with 'modernisation' as the subtext). There is a shift of focus to 'operationalisation' and what was formerly a political goal (mobilisation) is now to serve the ends of better policy design and delivery. Fourthly, the attention to prevention as such is gone.

Let us pause for a moment to consider what might be involved here. The model of policy is the heart of the matter: is it possible to say that there is an unfolding and deepening of the social policy model and are the common objectives drawing on a relatively stable set of ideas over time? The answer to the first question, important because of the role of the common objectives in providing both a frame for coordination of the policy field and a set of 'solutions', is an equivocal 'no'. The model of Lisbon I was expansive and broad-ranging as a strategy for welfare organisation and reform, whereas Lisbon II is narrower and has significant gaps *vis-à-vis* the first phase. The answer to the second question of whether the ideas are stable is an equivocal 'maybe'. The equivocation has two sources. In the first instance, social exclusion has been downgraded as the leading idea, now sharing the policy oxygen with social protection and inclusion and, more broadly, social cohesion and discrimination. Social policy scholars will recognise the significance of such a change, even if it might appear to others to be little more than a change of nomenclature. Secondly, there are instabilities in the meanings of social exclusion within the OMC over time: I see two opposing (possibly conflicting) meanings. The first is an approach in line with the OMC itself that stresses multi-dimensionality, by definition a broad-ranging and general approach that regards social exclusion as a cumulative condition linked to processes deep in society and calling for a policy response that not only ranges across domains but does so in an integrated fashion. The second is a narrower set of approaches which focus either on the situation of particular, extreme groups or on activation as key to inclusion. While it is true that social exclusion is itself a concept with multiple references and meanings and can accommodate both understandings, social policy models, especially

reforming ones, can tolerate only a limited amount of instability. Hence, veering between quite different concepts and meanings in my view renders the OMC policy programme unstable.

For a better understanding, we need to move further into the OMC process, not least because the common objectives are a canvas to be worked on, in many ways a starting gate for the process. The OMC process is rooted in an approach to policy making that emphasises problem solving and policy-related learning through peer review, dialogue, soft incentives, normative reflection and experimentation. The underlying orientation of the OMC method is to generate a 'Europeanisation of problems': in the context of common global objectives, a comparison of the situation across countries enables a common problem representation and the devising of similar solutions on the basis of the exchange of knowledge and good practice (Bruno *et al.*, 2006: 533). How has social exclusion as a problem requiring EU coordination been developed? To ascertain this we can look into the process in two ways, focusing on the key actors: to see first how the Commission and Council in their responses to the national action plans try to shape the process and orient the content, and second the extent to which member states have employed the EU frame. An analysis of the Joint Reports is insightful on both counts.

As they have developed, the Joint Reports ('joint' because they are issued with the imprimatur of the Council and the Commission) have had a twin purpose: giving feedback to member states on their own reports in an overall context, and elaborating the nature of the social exclusion 'problem' as a social policy challenge in and for Europe. Table 2 presents an overview of the main points emphasised in the Joint Reports in response to the different national action plans or implementation reports up to 2006 (after which the Joint Report became a much shorter – and less critical – document and also one in which the feedback on social inclusion sits alongside that on pensions and health care).

The consensual nature of the feedback is striking. While it was known at the outset that the social OMC lacked much of the 'oomph character' of the other processes – no guidelines set (until recently) by the centre, no common targets, no recommendations or formal sanctions – the dulcet tenor of the Joint Reports gives cause for pause. They are, to say the least, relenting in their analyses. Moreover, this is not just a soft process but one that has become more softly, softly over time. While at the outset practices in some countries were singled out for some negative reference, this has fallen away over time so that by 2006 any negative assessments were general and not identified with any country. If it is the case that, as Heidenreich and Bischoff (2007) claim, the member states are interested in limited transparency and comparability of national structures and processes, they have little to fear from the Joint Reports. The Commission/Council tends to take a technical approach to the national action plans. One can see this from the criteria used for the evaluation (which were

TABLE 2. Emphases and assessment in joint reports 2002–2006.

Year	Overall assessment	Challenges/priorities identified
2002	*Positive* Commitment demonstrated and interaction with employment strategy but . . . *Needs more attention* Use of indicators Analytic approach Innovative or new policy approaches Mobilisation Monitoring and evaluation Gender	Developing an inclusive labour market Guaranteeing an adequate income Tackling educational disadvantage Preserving family solidarity and protecting the rights of children Ensuring good accommodation for all High quality services Improving service delivery Regenerating areas of multiple deprivation
2004	*Positive* Plans are broad in scope, reflecting multidimensional nature of poverty/exclusion Greater use of quantitative targets as compared with 2001 plans Strengthened institutional arrangements Greater participation by stakeholders *Needs more attention* All of the above as well as: Monitoring Links between social and economic and employment policies	Promoting investment in and tailoring of active labour market policies Ensuring adequacy and accessibility of social protection schemes and that they provide effective work incentives Increasing access of the most vulnerable to housing, health and lifelong learning Prevent early school leaving A focus on eliminating poverty and social exclusion among children Reduce poverty and social exclusion among immigrants and ethnic minorities
2006	Evidence of implementation gap *Needs more attention* Integrated and coordinated responses to multiple disadvantages and the needs of groups at particular risk Mainstreaming Governance Indicators Links between social policy and Structural Funds	Increasing labour market participation Modernising social protection Tackling disadvantages in education and training Eliminating child poverty Ensuring decent accommodation Improving access to quality services Overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and immigrants

Source: 2002 – European Communities (2002); 2004 – European Communities (2004b); 2006 – Council of the European Union (2006).

made explicit only in the first Joint Report): the quality of the analysis of key risks and challenges and an assessment of the effectiveness of existing responses; the establishment of clear priorities on the basis of the common objectives, including the setting of specific goals and targets; and an integrated and multi-dimensional approach to policy development (European Communities, 2002: 29). The metric of progress, simplified, is whether member states produced plans/strategies as against reports (which are seen to be 'list-like' in character and/or a straight reporting or repackaging of existing commitments or plans). This is lesson A of

plan writing. The mirror that is being held up is not to national practice but to its representation in a report. Two absences from the Joint Reports are striking. Evaluation of performance is to all intents and purposes lacking – little attempt is made to ascertain the attainment of the commonly agreed objectives or even member states' efforts to address the common challenges as the process went on – and there is relatively little opportunity for learning or even reflection for member states. Hence, this element of the peer pressure system is weak, hardly constituting a pressure at all since the reviews are not extensive or profound and rest on consensual, cooperative processes. The national action plans are, then, a collection of national responses to a frame developed by Europe.

The second column in Table 2 reveals the second function of the reports: their use by the Commission/Council to construct and then legitimate a cognitive frame which elaborates a European political vision around social exclusion. There is a process of knowledge creation at work here, not so much a feedback as a 'feedforward'. On the basis of a general overview of what member states report they are doing, the Joint Reports seek to construct both a problem representation (the 'challenges') and portfolio of desired policy responses. Both have become more elaborate over time. Treating the national reports as a source of empirical information about cross-national trends and as a policy vision serves to put substance on the process and increase coherence (one of the classic criticisms of EU social policy is that it is 'narrow in scope and incoherent in content' (Streeck, 1994: 153)). When we examine the nature of the challenges identified, we find considerable consistency over time in the EU's representation/construction of social exclusion in Europe. There are a number of what might be called 'strong' issues (in the sense of being emphasised over time) such as active inclusion, child poverty, quality of services, the situation of migrants and/or minority groups and accommodation/housing. Note the mix of issues and target groups. Among the 'weaker' issues – those that are not subsequently elaborated – are income adequacy, addressing areas with multiple deprivation, and early school-leaving. Notably, poverty in general has been almost excised.

A second key operational aspect of the Lisbon project is how member states (are seen to) respond to the process. One of the main expressions of this is the biennial national action plan. While it is beyond the scope of this piece to examine these plans in detail, it is valuable to identify Brussels' evaluations of the extent to which member states have engaged with the process. As mentioned, the Joint Report is averse to naming particular countries in a negative way–apart from in a draft of the very first report, which made its way into the public domain[5]–but they do give 'honourable mention' to those countries that are seen to perform well. This gives a measure, admittedly rather weak, of the extent to which the frame is accepted by member states. Table 3 presents, from the 2002 (draft) and 2006 Joint Reports, how the EU 15 countries are placed in terms of the 'quality' of their national action plans as adjudged by Brussels. This is tentative and should

TABLE 3. Comparison of progress regarding national action plans of EU 15 over time (on the basis of the Joint Reports 2002 and 2006).

	2002	2006
Best countries	Denmark, France, Netherlands ('Holistic approach')	Belgium
Next best	Finland, Portugal, Sweden, UK ('reasonably coherent and strategic approach')	Finland, France, Ireland, Spain, UK
Third best	Belgium, Germany, Ireland, Italy, Spain ('contain elements of a national strategy')	Austria, Denmark, Germany, Netherlands, Portugal
Poorest performers	Austria, Greece, Luxembourg ('a snapshot analysis')	Greece, Italy, Luxembourg, Sweden

be treated carefully, for a number of reasons. First, while the 2002 judgement was explicit (although withdrawn from the final version of the Joint Report),[6] the 2006 set of opinions I infer from a close reading of the text of the final report (in which a judgement is not always explicit and which lacks the comparative assessment of the 2002 draft). Second, it should be noted that the judgement is based not so much on what member states have actually done in terms of reform but rather on the extent to which the national action plan suggests that they have adopted the Brussels frame.

Progress is slow – it is not even clear that there is any general movement upwards given that there is a solid block of countries remaining in the 'poor performer' category over the six-year period. If we remember that what is being judged here is whether member states have adopted the EU frame, the sizeable numbers of countries in the two bottom groups suggest that national autonomy is strong. Not just have more than half of the EU 15 member states retained the capacity to implement what they want but, if the Joint Reports are read as a critique of how member states represent what they do *vis-à-vis* the common objectives, then they also reserve the right to package it as they wish. There is no great variation in the placement of different countries over time. The EU has been more or less positive about the French, Finnish and UK reports, and those of Belgium, Ireland and Spain are seen to have improved over time. At the other extreme, the plans of Austria, Greece and Luxembourg have received the fewest positive comments, suggesting that these countries have been laggards in adopting the EU frame. This is also true for Denmark and Sweden, which over time have come to be viewed less favourably. It seems in these countries that policy did not just already cover many of the issues identified by the Lisbon process, but the EU social inclusion process was an 'add on' to national policy and policy making. Overall, treating these 'data' with the care they deserve, we can say that the EU's ideas about social exclusion have been reflected, but imperfectly, in member states' social policy plans and programmes. A shared understanding cannot be said to

have been developed – there is neither a Europeanisation nor a (re)nationalisation of social exclusion as a policy problem/approach – and member states cannot be said to be engaged in transnational (social) problem solving. All of this raises fundamental questions about how 'open' is the method and how embedded the process.

Things have turned out differently to what was expected. Why?

Towards an explanation of (limited) outcomes

I want to draw attention to what I see as three main problems; these relate to design, the case for coordination and relative political isolation.

First, the mechanisms to bring about change are weak. In the OMC model, change is envisioned to occur when policy makers are enabled to communicate with each other, work from a common basis and reflect on their own practice in a cooperative context. While there are grounds to question this as a sufficient model of change,[7] a more pressing concern is whether the components are even in place. It seems that they are not. The relative weakness of the peer pressure system stands out especially. As we have seen, this has tended to be treated as an opportunity for gentle reminders and reproaches. At root is the fact that the social inclusion process lacks any real sanctioning (something that has always set it apart from the other main Lisbon policy domains, which have had a much stronger regulatory orientation). Targets have been vague if not non-existent. Although the Commission has sought over the course of the last six years to sharpen up the guidelines – asking for concrete targets and identifying policy areas that should be focused on by all – in practice member states are allowed huge leeway and have interpreted EU requests in a *laissez faire* way.

There are also some operational or procedural flaws. For example, the selection of best practice, a matter of some importance given the central role played by learning from example in how the OMC is seen to effect change, appears quite arbitrary (Kroeger, 2006). No definition exists of what constitutes good practice and there is no real evaluation of such practices before information about them is spread supranationally. The EU has always been something of a 'style council' and, as Mabbett (2005) points out, the examples of good practice tend to be selected on the basis of preferred policy styles rather than desired outcomes. A second procedural flaw concerns the indicators meant to serve as performance metrics. In their composition, the indicators themselves are oriented primarily to poverty rather than social inclusion, and are much narrower than social exclusion, relating mainly to income distribution, poverty and unemployment. In terms of operation, they have not been applied widely as diagnostic tools.

Second, there is the (weak) case for European coordination. We can consider this in two ways. The first is in terms of the broad exigency around coordination in this particular field. Armstrong (2006: 83) identifies two main coordination

exigencies in an EU context. The first is where coordination attempts to overcome negative externalities or to respond to a commonly agreed set of norms. The opposite end of the continuum is when states may not be faced with the same problems or may face some similar problems but with different underlying causes: 'the aim of coordination, then, is to create a process that stimulates states to engage in national processes of problem identification, with coordination used by states to seek out effective solutions to their problem' (ibid: 84). When looked at through this lens, coordination on social exclusion falls at the loose end of the continuum. While for all member states the spectre of long-term unemployment, ageing populations and rising costs of social protection strikes fear, they are general issues, more or less accepted features of the contemporary landscape rather than common exigencies for action. I believe therefore that it is correct to query if there is a strong exigency for common action in the field. Furthermore, it has to be pointed out that Lisbon contained no detailed analysis of either the social transformations going on in Europe or why they would be best addressed by a social ex/inclusion policy frame. What is European about social exclusion? Where is the 'value-added' in a cross-national approach? To what extent does social exclusion in individual member states jeopardise increasing economic integration at the European level? Nowhere in the original process nor since has a persuasive (and fully evidence-based) case been made as to why social inclusion is the appropriate approach to reform and what the cross-national elements are in social exclusion that call for an all-Europe response. While the EU has a history of trading on ambiguity, the lack of a reasoned case seems counterintuitive in such a technical regulatory project.

There is, furthermore, the fact that social exclusion is an untried idea for social policy. Although the New Labour government in the UK has fashioned a social policy model around social exclusion as a central idea, this was being rolled out at more or less the same time as the EU process. Hence, when the EU took it up at Lisbon, social exclusion had no real pedigree either as a model of social policy or as a response to the social problems that faced either the EU as a whole or individual member states. To this 'series of absences' must be added another: missing evidence of concrete gains. The evidential warrant of the process is weak, giving member states reason and grounds to hold themselves apart from the project (and this might even be more important as an explanation of events than national interests understood as protectionism). To frame this in the classic terms used by Fritz Scharpf (1999), the Lisbon social inclusion process lacks output or performance legitimacy (which is to be distinguished from input (democratic, process-oriented) legitimacy). Finally, there is the fact that social exclusion is not neutral in terms of the package of prevailing welfare ideologies in Europe: it is a frame that fits better in some national contexts than others. While it has quite different resonances (see Silver, 1994), there is no doubt but that its focus on poverty and exclusion as failed integration tends it towards the liberal model,

whereby, among other things, policy is oriented towards the most problematic cases – typically the most 'deviant' behaviours from a labour market perspective – and the life chances and conduct of particular groups. This liberal proclivity is another strong factor conditioning member state responses, a serious challenge to a method that, designed in part anyway to bring about a Europeanisation of national agendas, relies heavily on the power of cognitive mechanisms to effect both normative convergence and the emergence of an epistemic community.

Thirdly, there is operationalisation and in particular the relative and increasing isolation of the social policy process in the EU. The relative failure of the social process to create and pursue a strong vision of welfare state reform may be because the main processes are going on elsewhere in the Lisbon Strategy and social inclusion is only weakly attached to these. Since the revision of Lisbon in 2005, social exclusion, threatened with excision, could be said to have been downgraded as a policy priority with the former trinity (of jobs, growth and inclusion) being replaced by a duality. Social inclusion is now seen to follow from success in achieving the growth and jobs' targets, coupled to them through a series of loose connections (in the text: subordinate clauses). In terms of operational links between the social OMC and the economic and employment processes (which were combined into one as part of the revisions), some attempts have been made to enunciate and streamline these. The relationship is conceived operationally in terms of 'mutual interaction' and operationalised in terms of 'feeding in/feeding out' with social inclusion envisaged to 'feed in' to the growth and jobs process and the latter 'feeding out' to contribute to greater social inclusion. Thus, the OMC is envisaged as a parallel process, with a 'benign loop' connecting the two. For proof of the 'downgrading' of social inclusion, consider the guidelines governing the growth and jobs process (Commission of the European Communities, 2005a). Of the 24 guidelines, only three have any kind of social component, and even in these social concerns are weak and indirect.

The key issue is whether social inclusion/protection has been 'uncoupled' from economic and employment policy. While this cannot at this stage be definitively assessed, it is noteworthy that in the new governance cycle, the social inclusion process remains separate from the revised Lisbon structure and is linked to the central economic and employment process, not by any direct set of synergies or processes but only by 'mutually reinforcing feedback'. The term 'Lisbon Strategy' is now reserved for the jobs and growth activities that are subject to a new methodology of partnership. In effect, the OMC methodology – once the *Wunderkind* of new EU governance mechanisms – is now applied mainly to social inclusion/protection. The asymmetry between economic and social policy and the tendency to force social policy through the needle's eye of economic progress continue.

Overview and conclusions

The years since Lisbon will go down in history as a very active period of EU social policy making. How should social Lisbon be categorised and judged? Bearing in mind that we cannot make definitive judgements given that the foregoing analysis has looked at only a part of the process, it is useful at this juncture to interrogate social Lisbon in terms of three criteria: its distinctiveness, especially in the context of EU social policy to date; its significance, in terms of the motivating factors; and its future sustainability/survival.

Lisbon is distinct, if not unique, in a number of respects (Daly, 2006). First, it has initiated an EU policy process in a number of social fields that are new to the EU: initially poverty and social inclusion and in later years pensions and health care. Second, it involves if not a new methodology in the OMC then an innovation in extending that methodology to the domains of poverty and social inclusion, pensions and health care. Eschewing the big bang of the Community Method whereby policy is decided at the centre and imposed by law, a series of more deliberative policy-making procedures has been put in place based on common guidelines, review processes and multi-level consultation. Without overclaiming for it, one can say that the extent of EU action to make inroads into national social policy (and therefore society) is greater than heretofore. For the first time, member states are enjoined to design their social policies in the image of a policy vision that has emanated from EU deliberations and political processes.

In addressing the second question – of significance – we can borrow from Bornschier and Ziltener (1999), adapting somewhat their three theses on the developments associated with the Single European Act and the Maastricht Treaty to apply them to Lisbon. The first thesis holds that the Europeanisation of social policy is a 'cornerstone' of the policy package and that Lisbon represents a genuine turn to the social in EU thinking. The 'flanking thesis', in contrast, suggests that the core of the project is economic union or integration more widely, and that the attention turns to social policy only because it is necessary to cushion socio-politically the impact of the single market and associated change. Thirdly, the 'packaging thesis' holds that weak social policy regulation is merely an expression of the selling of an elite pact. Looking at developments preceding Lisbon, Bornschier and Ziltener come down in favour of the cornerstone thesis (albeit that they conclude that the 'softly, softly' strategy pursued by Jacques Delors in relation to the social dimension ultimately failed). Lisbon can be seen as offering grounds for the cornerstone thesis as well. Social policy was integral to the initial agreement and social cohesion seemed to be a goal in its own right rather than just a means to achieve other ends. In addition, against a depiction of them as being 'decoupled', it could and has been argued that Lisbon represented if not a recoupling of economic and social policy, then at least an intervention that addressed the dichotomy between them at the EU level (Wincott, 2003).

However, such conclusions if true apply only to the first four to five years: the situation changed substantially with the relaunched Lisbon process of 2005. While the reforms are still too new to be assessed decisively, they seem to spell a diminishing of both social policy and the social inclusion process in the longer term. Recent developments certainly support the flanking thesis: that social policy is in an EU context a handmaiden of economic and labour policy, harnessing a social idea to an economic cause. While this might appear a negative conclusion, it leads to an interesting reading of EU social policy under Lisbon: as a tale of an inventive and opportunistic response to limitations and constraints given that the basis for much of the EU's social policy activity is slippery and evasive and has to be advanced by manoeuvring a course between the twin masters of integration and member state diversity. Seen in this light, while it may have weaknesses, social Lisbon is arguably stronger than what preceded it: global coordination has replaced member state 'cooperation' in the social policy field.

The third question concerns survival. On the basis of the analysis carried out here, it is difficult to see social inclusion as a stable policy concern in the EU. It does not pass the coherence test, for example, because there has been much variation and too little settlement in the core constituents of the Lisbon process as it engages with social issues. Not only does social inclusion cohabit with other ideas, especially poverty and social cohesion, on the crowded EU stage, but the ease with which it can be pushed aside indicates that it does not have sufficient capacity or political support to undermine or displace existing ideational regimes. Secondly, one has to doubt if a political commitment exists to address the kind of problems that the concept of social exclusion originated to characterise. The main reason why the EU has found the concept attractive is because it allows it to fashion a modernising diagnosis of and reform programme for social policy in Europe, providing it with both an innovative frame and a set of pragmatic and moral arguments for change. Even more, not only are EU policy makers given an opportunity to focus on failings in existing social policy models' effectiveness in activating individuals and groups, but their own power and influence, which certainly in the case of the Commission hinges closely on its role as innovator, is enhanced. In particular, the Commission has a chance to impose its assumptions and preferences.

Despite its watering down, social Lisbon still constitutes an ambitious programme, especially in the context of the limited EU engagement with social policy to date. However, the OMC as a method, in itself and in the way it has been deployed by the central EU actors, is weak and as I have argued some of the component elements are not in place. In addition, it is important to remember that within the EU fold social policy is continually under threat. Not quite as vulnerable as a bird's nest in a windstorm, social Lisbon is shaped at the intersection of a number of struggles: between economic and social actors at the EU level (a cleavage that runs throughout the institutions), between those

who favour the law-centred Community Method and those who prefer softer methods, between those who support subsidiarity as a safeguard of member state autonomy in the social domain and those who argue for greater EU power in social policy (Zeitlin, 2007). Viewed in the light of contestation, not only is the catalogue of development of social policy in the EU one of continual innovation, but social policy under Lisbon is a story of contingent survival.

Notes

1 To make work pay, to combat poverty and social exclusion, to render pension systems economically and socially sustainable and to render quality health care accessible to all.
2 The EU funded three poverty programmes in the 1970s and 1980s, and the Observatory between 1991 and 1994.
3 I refer here to the many national anti-poverty groups and coalitions which became increasingly active in the 1990s and were associated with the foundation of the European Anti-Poverty Network (EAPN), which, set up in 1989, has been a very active lobby group at the European level on poverty-related and social protection issues.
4 The objectives were very slightly revised by the Council in December 2002 (Council of the European Union, 2002). The main changes were to encourage member states to set targets for reducing the numbers at risk of poverty and social exclusion, to encourage them to take gender into account and also to highlight the role of immigration as a risk factor for social exclusion and poverty.
5 As reported on by Ferrera *et al.* (2002). It does not appear in the final joint report for that year (European Communities, 2002).
6 For the 2006 judgement, I take my departure point from the Joint Report's evaluation. This is in some ways a judgement call on the part of the analyst because: the criteria on which countries are evaluated are not made explicit; and given the EU's reluctance to make definitive judgements, one has to interpret carefully. In addition, it should be noted that it is the Implementation Reports presented in 2005 (which give an update on the implementation of the 2003 national action plans) that are the subject of the 2006 Joint Report rather than a new round of action plans. This was considered preferable to the Joint Report of 2007, which gives feedback on the latest round of national action plans (or, more accurately, the National Reports on Strategies for Social Protection and Social Inclusion) but desists from any evaluations. The analysis is limited to the EU 15 because there is insufficient evidence to evaluate the performance of the new member states given that they only joined in 2004, presenting their first report that year.
7 See Chalmers and Lodge (2003: 15).

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