

This article was downloaded by:[University of Wisconsin Madison]  
On: 20 December 2007  
Access Details: [subscription number 731871040]  
Publisher: Routledge  
Informa Ltd Registered in England and Wales Registered Number: 1072954  
Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



## Journal of European Public Policy

Publication details, including instructions for authors and subscription information:  
<http://www.informaworld.com/smpp/title~content=t713685697>

### Learning by numbers? The use of indicators in the co-ordination of social inclusion policies in Europe

Deborah Mabbett

Online Publication Date: 01 January 2007

To cite this Article: Mabbett, Deborah (2007) 'Learning by numbers? The use of indicators in the co-ordination of social inclusion policies in Europe', Journal of European Public Policy, 14:1, 78 - 95

To link to this article: DOI: 10.1080/13501760601071786

URL: <http://dx.doi.org/10.1080/13501760601071786>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.informaworld.com/terms-and-conditions-of-access.pdf>

This article maybe used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

# Learning by numbers? The use of indicators in the co-ordination of social inclusion policies in Europe

Deborah Mabbett

**ABSTRACT** The indicators developed for the open method of co-ordination (OMC) in social inclusion might, according to their authors, serve to establish a common language for the discussion of social inclusion issues, set the agenda for inclusion policies, and provide benchmarks for the identification of best practices. To examine whether ‘learning by numbers’ is taking place, this paper scrutinizes the use of the indicators in the area of child poverty and exclusion. The discussion uses a theoretical account of the institutional preconditions for the transmission of OMC-based learning into the policy processes of member states which distinguishes between ‘normal policy-making’ and ‘paradigm shifts’. The indicators are designed to contribute to the advance of knowledge about normal policy-making, but it is shown that the OMC/inclusion disseminates a new policy paradigm which bears little relationship to the indicators.

**KEY WORDS** Benchmarking; indicators; institutional learning; social inclusion.

## 1. INTRODUCTION

Commentators seeking to characterize the impact of the open method of co-ordination (OMC) on national policy-making have alighted on the idea of policy learning to explain how the method might work. It is suggested that the OMC might facilitate deliberation, develop networks and enable actors to share good practice and compare results (Trubek and Mosher 2003: 46–7). The distinctive institutional setting of the OMC may be expected to have an impact on the process of learning. OMC-structured learning processes in social fields may constitute a European policy frame which could ‘creat[e] convergence at the level of beliefs on what “the European social model” should be’ (Radaelli 2003: 54). Begg and Berghmann (2002: 192) suggest that the OMC is both a cognitive and a normative tool, creating a common dynamic of reform across Europe.

Other commentators emphasize how the OMC has facilitated agreement on goals while honouring subsidiarity by allowing member states to choose diverse

methods for achieving those goals. It is argued that, compared with the traditional Community method, the soft instruments of the open method enjoy a 'logic of appropriateness' by allowing each state to find the best local solutions to common problems (Wallace 2001: 592). However, the speed with which the member states have agreed on goals should alert researchers to a potential limitation of the OMC: the possibility that it will turn out to be a symbolic process in which declarations about goals are made without mechanisms for adopting the instruments necessary to achieve them.

If learning is the key mechanism on which the OMC relies for its effectiveness, we need to know whether the process is having an impact on the framing of policy problems and the dissemination of knowledge about policy instruments in the member states. Jacobsson (2004: 360) has sought to pin down the impact of the European Employment Strategy (EES) from a learning perspective by looking for 'discursive regulatory mechanisms' including 'joint language use (key concepts and discourse); the development of common classifications and common operationalizations (indicators); the building of a common knowledge base (including collection and standardization of statistics); [and] the strategic use of comparisons and evaluations'. She finds examples of how 'Eurodiscourse' has pervaded the Swedish national administration, but finds little evidence of policy transfer. However, Jacobsson resists the inference that the development of Eurodiscourse might not have much impact on substantive policy, suggesting instead that 'symbolic politics is seldom merely symbolic' (2004: 367).

This paper aims to illuminate the conditions for substantive policy change by examining how learning through the OMC might become institutionalized, in the sense of enabling sets of ideas to become embedded in policy-making institutions. A central contention of this paper is that the institutionalization of ideas or discourses requires not only agreement about goals but also models which link instruments to goals; in other words, a policy paradigm in the sense defined by Hall (1993). While the open method, as applied in the social field, is said to be structured to enable participants to learn about 'what works' (i.e. how effective instruments are in achieving goals), it is deliberately eclectic about the choice of instruments. This is seen as a strength by many commentators, because the diversity of welfare models across the member states blocks application of the Community method. The outcome orientation of the open method 'liberates the EU from the devil of detail' (Borras and Greve 2004: 332). However, this paper shows that the OMC on social inclusion does not facilitate learning about policy instruments linked to indicated goals. This means that member states can declare adherence to common goals without this having an impact on their policies.

The discussion in this paper focuses on the OMC on social inclusion, and, specifically, on the use of indicators in the process. Of all the elements in the OMC, the collection and monitoring of indicators appear to provide mechanisms which may propel the member states towards substantive policy adjustments. The indicators on social inclusion were developed by a group headed by Tony Atkinson, which was commissioned by the Belgian Presidency to

report to the meeting of the European Council in Laeken in December 2001, where the initial set of indicators was adopted (Atkinson *et al.* 2002a). The Atkinson group argued that indicator-based evaluation could create peer pressure for states to improve their performance against the common objectives (as expressed by the indicators) and serve to identify best practices for states to borrow (Atkinson *et al.* 2004). By agreeing to common objectives or goals, and exchanging knowledge about the instruments and instrument settings needed to achieve those goals, the analysis of indicators would draw participants in the OMC into a common policy paradigm and promote its development and refinement.

The design of the indicators for social inclusion fits quite well with the 'redistribution paradigm' (Uusitalo 1985), in which the goals of social policy are the reduction of poverty and inequality, and the main instruments are found in the tax and benefit systems. However, it is shown below that the National Action Plans (NAPs) submitted by member states do not discuss the relationship between tax and benefit instrument settings and the attainment of income distributional goals. There is a 'disjuncture' between policies and indicators (Atkinson 2005: 5). The explanation offered here is that there is a competing paradigm in EU social policy, which focuses on citizenship and inclusion and places importance on wide participation in the process of policy-making. This alternative paradigm is better suited to the opportunities and constraints of the OMC.

This paper proceeds as follows. Section 2 introduces Hall's framework for the institutional analysis of social learning and explains the nature of the social inclusion indicators in the light of his framework. Section 3 gives an account of how the indicators might work in the policy process which conforms to the ideas put forward by their developers. This account rests on a rather technocratic view of the policy process, in which problems are identified and solutions systematically and rationally considered and implemented. Section 4 applies this account to one policy field within the OMC on social inclusion. This analysis serves to highlight the way in which indicators may affect perceptions of policy problems and contribute to shaping the policy agenda, yet still fail to have an impact on policy formulation. This is not to say that policies are not described and shared through the OMC; on the contrary, the member states co-operatively offer up examples of best practice as the pro forma for the NAPs requirements. However, the selection of these examples is governed by its own logic, which is interrogated in section 5. Section 6 concludes the paper.

## 2. GOALS, INSTRUMENTS AND INDICATORS

The aim of this section is to characterize the steps and potential slips involved in relating the process of learning to the formation of policy. We can identify these steps using Hall's categorization of policy-making as a process involving 'three central variables: the overarching goals that guide policy in a particular field, the techniques or policy instruments used to attain those goals, and the

precise settings of these instruments' (1993: 278). Hall distinguishes between first and second order changes in the latter variables, which he designates 'normal policy-making', and third order changes, in which the aims of policy are changed. These more profound changes are accompanied by changes in the whole framework of ideas about policy; in other words, with a shift in the policy paradigm. Normal policy-making proceeds within 'a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing' (1993: 279). Third order policy change, 'by contrast, is likely to reflect a very different process, marked by the radical changes in the overarching terms of policy discourse associated with a "paradigm shift"' (ibid.).

Using these definitions, we can distinguish between two alternative ways in which the OMC/inclusion might work. It may be that there is a shared policy paradigm in European social policy and that the OMC could be incorporated into learning about 'what works' for normal policy-making, i.e. adjusting instrument settings and adopting new instruments. Alternatively, the goals agreed in the OMC/inclusion might represent the leading edge of a new paradigm, bringing a new discourse and new ideas about instruments and instrument settings as well as goals.

The redistribution paradigm may be seen as a well-established paradigm in which there is scope for first and second order policy learning. Indicators of financial poverty and inequality specify the goals, while several techniques for tax-benefit modelling are available to facilitate learning about policy settings. In a recent report reviewing the social inclusion process, Atkinson *et al.* (2005: ch 4) explain in detail how 'model families' and micro-data-based approaches can be used for policy analyses focused on the indicators, and they draw attention to the resources available both within member states and in cross-national projects for undertaking such analyses.

However, there are obvious political problems with using the OMC/inclusion to engage in a systematic interrogation of member states' tax and benefit policies with a view to benchmarking their performance in reducing poverty and inequality. Tax and benefit policies remain contentious areas in the allocation of competences between the national governments of member states and European-level institutions. As Bea Cantillon (a member of the original academic group which formulated the indicators) has recently pointed out, there is a case within the redistribution paradigm for co-ordinating national tax and benefit policies to prevent fiscal competition and social dumping (Cantillon 2004). However, such co-ordination is politically highly sensitive.

This sensitivity is one reason why actors at the European level are drawn to alternative paradigms in social policy. Indeed, there are institutional reasons why we would expect the OMC to advance a new paradigm. Policy-makers may be open to new approaches because they recognize pressing needs for reform of national welfare states, while also facing entrenched opposition

within existing policy structures. Hall argues that third order changes in policy may be accompanied by an opening out of the learning process in which policy is strongly influenced by non-state actors, whereas the bureaucracy has the insider knowledge and resources to dominate first and second order policy changes. Turning the argument around, we can expect that the openness of the OMC to participation by non-governmental organizations, the involvement of the Commission and the processes of cross-national exchange all mean that the OMC will be most influential in promoting third order changes, while national bureaucracies retain control over normal policy-making. This is consistent with analyses in which the OMC is seen as disturbing the institutional structure of national policy-making, thereby unblocking domestic obstacles to reform (Schelkle 2005) and allowing new policies to be introduced which cut across existing departmental programmes and potentially involve joint action by different agencies (Atkinson *et al.* 2004: 65).

The new ways of thinking about social policy being advanced at the European level can be characterized in a variety of ways. The emphasis on 'social policy as a productive factor' and the central place given to employment creation in the Kok Report (European Communities 2004) are examples of discourses which redefine the goals of social policy. Szyszczak (2001: 1129) outlines some elements of a 'new paradigm for social policy' which is centred on the EES but also guides the social inclusion process. Building on the idea that employment should carry with it a 'core' of social rights, the paradigm 'recognize[s] a core of fundamental principles, rights and values associated with notions of citizenship and an inclusive society'. The citizenship paradigm is connected with academic discourse on the 'new sociology of welfare', which emphasizes individual autonomy and is critical of the 'Fordist' mass production of the traditional welfare state, favouring instead local, regional and civic initiatives (Taylor-Gooby 1997). In the context of social exclusion, the focus on citizenship highlights relational, non-material aspects of exclusion alongside material aspects such as low income (Lister 2004).

The formulation and promotion of policy paradigms at the European level is influenced by the search for suitable rationales for European action. The citizenship paradigm provides a rationale for co-ordination based on the promotion of a new style of policy-making, with new forms of multi-tiered governance and networks encompassing public and private actors (Szyszczak 2001: 1131–2). The procedures for formulating and deliberating on NAPs fit very well with this new style. The paradigm also provides a frame in which the task of 'modernizing' social protection systems can be seen as 'a matter of common concern'. This rationale for the OMC places low demands on politically sensitive aspects of co-ordination, compared with the redistribution paradigm.

What are the implications of the citizenship paradigm for the analysis of social policy based on indicators? The Atkinson group sought to encompass the full range of current ideas about social inclusion in its selection of indicators. However, it faced some difficulties in doing this. Income poverty and inequality measures dominate the indicators: four out of the ten primary indicators are

income measures (the remainder relate to unemployment, joblessness, regional differences in labour market conditions, education, life expectancy and health). The citizenship paradigm tends to emphasize non-material aspects of exclusion which are inherently difficult to measure. Citizenship discourse also attaches greater weight to the processes of public policy-making relative to the outcomes of policies. The Atkinson Report responds to this in suggesting that wide consultation on the indicators should be undertaken with all actors, but it remains that the structure of indicator-based analysis assumes that outcomes are what matters and that distinctions between means and ends should be made (Atkinson *et al.* 2005: 43).

In summary, we can see that the OMC/inclusion might do either of two things. It might disseminate a new paradigm of social inclusion policy based on citizenship and rights, or it might promote the development and refinement of existing national social policies within the redistribution paradigm. The indicators would appear to be geared towards the latter approach: they envisage learning around first and second order policy issues. However, the institutional opportunities created by the OMC appear to be better suited to the promotion of a new paradigm than to the refinement of policies within an existing paradigm.

### 3. LEARNING BY NUMBERS

As noted above, the Atkinson group argued that the social inclusion indicators should be of outcomes, rather than policy inputs or outputs. However, they envisaged that member states would provide accounts of the relationships between policy interventions and indicated outcomes in their NAPs. This would create the basis for learning about first and second order policy issues within the redistribution paradigm. This section explains how this might work, while section 4 analyses the NAPs to see whether they do in fact give accounts of policies which are linked to the indicators.

The ideas of the Atkinson group about what the indicators signify and how they should be used in the social inclusion process can be summarized with the aid of the 'stages heuristic', the most basic textbook model of the policy process (Anderson 2000). The stages heuristic is consistent with an orderly policy process in which problems are solved by rational consideration of alternatives, and it seems that Atkinson *et al.* had this type of process in mind, as will be shown below. The stages model suggests that policies go through stages of problem recognition, issue definition or agenda-setting, policy formulation and identification of options, decision-making, implementation and evaluation. There may also be various 'feedback loops' from implementation and evaluation into the refinement and adaptation of policy. Learning can occur at most stages. Commentators who emphasize learning at the problem-recognition and issue-definition stages may highlight cognitive aspects of the policy process, such as the construction and reconstruction (e.g. through relabelling) of social problems. The very definition of 'social exclusion' as an issue area, and its

relationship to other constructions such as ‘poverty’, highlights from the outset the way in which the OMC structures the exchange of information about policy in this area.

Reference to indicators at the stage of problem recognition may occur simply through the process of *reviewing* the indicators and describing what they show. Since the indicators are based on European definitions, this process of review has the non-trivial quality that member states are encouraged to view their social situation in a comparative European perspective. In this light, Atkinson *et al.* suggest that the indicators establish a common language for the discussion of social policy issues (Atkinson *et al.* 2002b: 8). We can take this idea of a common language quite literally, because the indicators based on European definitions are liable to differ in important ways from more familiar national data. One sign that the European frame is taken seriously would be that national policy-makers engage in processes of *translation*, comparing the indicators with data based on national definitions. In their review of the social inclusion process, Atkinson *et al.* (2005: 44) suggest that using nationally defined indicators in conjunction with the common indicators is desirable in facilitating analyses linking policies and outcomes, presumably because states have more knowledge about the linkages between policy settings and nationally defined indicators.

Moving on in the policy process, Atkinson has also suggested that ‘[i]n arriving at a set of commonly defined and agreed indicators, the European Union has made considerable progress in terms of setting the agenda’ (2002: 628). We can see whether the indicators are used for *agenda-setting* in the NAPs by examining whether a state’s identification of its policy priorities bears a connection to any issues revealed by the review of the indicators. This test is not conclusive: it may be that national actors are able to frame their established domestic agenda in European terms, which is not the same as saying that the European frame sets the agenda. However, even the former process could be significant in creating scope for policy learning and transfer.

The next potential step in the learning process comes when policies are formulated. We can conceive of policies being formulated with reference to the indicators if the NAPs frame their narrative accounts of policy by selecting *targets*, specified as desired values for selected indicators, and describing the intended effects of policies in terms of meeting these targets. Target-setting, according to Atkinson *et al.*, should ‘promote awareness of social inclusion policies and provide a focus for policy-makers’ (2004: 66).

The practice of framing policies with reference to any sort of target (whether a national or a Laeken indicator) is much more common in some states than in others (Atkinson *et al.* 2005: 50, 155–60). For example, in the UK, ‘Public Service Agreements’ set targets for numerous policy areas. By contrast, ‘management by objectives’ is not an established part of German policy practice (Büchs and Friedrich 2005: 275). The UK targets are defined in terms which are only relevant to the specific institutional and programmatic structure of UK public and social policy, but the Atkinson group argued that it would be desirable to

set targets framed in terms of the common indicators, as '[t]his would facilitate mutual learning and exchange of good practices between Member States' (Atkinson *et al.* 2004: 68). This argument draws attention to the links between target-setting and *benchmarking*, meaning, for current purposes, the use of indicators to compare a state's performance with the standards achieved in other states, or the European average. Benchmarking against other states may be a method for identifying which states have adopted 'good' or 'best' practices and should therefore be learned from (Arrowsmith *et al.* 2004: 313). Policy learning through benchmarking of social policies requires an understanding of the processes which lead to those outcomes. This calls for a description of policies and analysis of their effects in the national context (Lundvall and Tomlinson 2002: 203).

#### 4. THE USE OF INDICATORS IN THE 2003 NAPs

Having identified the different ways in which the indicators might influence the policy process through various forms of learning, we now turn to examine whether processes of review, translation, agenda-setting, target-setting and benchmarking based on the indicators may indeed be found in member states' NAPs. The discussion focuses on just one of the numerous policy areas addressed in the 2003 NAPs: that of child poverty and exclusion. This area now has a high profile in the social inclusion OMC (Atkinson *et al.* 2005: 23). There have been several European research projects comparing child poverty across the member states and analysing the relationship between policy settings and poverty outcomes within the redistribution paradigm (Bradshaw 1999; Matsaganis *et al.* 2004; Vleminckx and Smeeding 2001). At the same time, child poverty can be related to ideas within the citizenship paradigm about the importance of human capital for self-realization and social participation (Atkinson *et al.* 2005: 23–4).

This section illustrates the different ways in which NAPs use the indicators with examples drawn from four countries. Sweden is included as a 'leading' state in terms of performance on social inclusion indicators. It might also be expected that the Swedes would make limited use of the OMC as a resource in their own domestic policy processes, as there is already a long tradition of domestically generated innovative reform in Sweden. The UK has worse poverty and exclusion outcomes but may also be expected to resist 'Europeanization', although, on the other hand, there would seem to be a good fit between the outcome orientation of the NAPs and the current fashion in UK policy-making for setting targets (including child poverty reduction targets) and monitoring performance. At the other end of the spectrum, Spain tends to perform badly on poverty indicators and is also a state where we might expect to find that policy resources generated at the European level are tapped for domestic purposes. Finally, Germany lies between all the poles, with mid-ranking inclusion outcomes, along with some history of using the European level to promote policy reform but also well-developed

domestic social policy institutions and relatively entrenched policy-making processes and traditions.

The following discussion analyses the contents of each NAP on the subject of child poverty, sorted, so far as is possible, to correspond to the five headings outlined above. Thus *review* is indicated by the presentation and discussion of the Laeken indicators, while *translation* is signalled by the comparison of Laeken indicators with domestic data. An *agenda-setting* role for the indicators could be signalled by reference to the Laeken data in stating policy priorities. Generally we would expect targets to be closely linked to the way the agenda is set, but *target-setting* as part of the policy formulation stage should also involve putting forward statements outlining how the state proposes to meet its targets or reflect its priorities in policy. Thus examples of targets set with reference to child poverty indicators would be accompanied by causal statements about those determinants of the child poverty rate which can be manipulated through policy. Finally, the use of indicators in *benchmarking* would be signalled by the use of the indicators to inform the selection of examples of good practice in child poverty policy.

### **Review, translation and agenda-setting**

There was considerable variation between the NAPs in their discussion of the Laeken indicators. Spain reported on the indicators, did not present any 'competing' domestic data, and referred to the indicators in the text discussion of social inclusion problems. For example, the report highlighted that 'single-parent families have turned out to be the group with the greatest risk of poverty, a risk which rises as the number of children increases' (Spain 2003: 6). This commentary was carried through to some extent into problem recognition and agenda-setting, although the Spanish poverty agenda was set in very broad terms.

By contrast, the Swedish report noted that '[v]arious indicators may be used to describe economic vulnerability' (Sweden 2003: 8) before going on to outline changes through time in the proportion and composition of the population that had an income lower than the basic social assistance allowance, ignoring the Laeken indicator (for which the threshold is 60 per cent of median income). The UK text also refrained from discussion of the Laeken indicators, noting that '[t]he Government is developing a measure of child poverty for the long term' (UK 2003: 4), with input from an extensive consultation exercise (DWP 2003).

The discussion of the pattern of poverty by family type in Germany shows how the Laeken indicators may give a different account of patterns of deprivation to that yielded by national data. The Laeken indicator for poverty requires states to use a particular equivalence scale (the new OECD scale) to compare families of different size and composition. This scale suggests that single-person households have a disproportionately high risk of poverty in Germany, whereas the old scale showed their poverty risk as below average.

The NAP explains this and notes that ‘To prevent false assessments and to complete the picture the old OECD scale will be applied for the tertiary indicators, whose equivalence weights better correspond to the German institutional circumstances and the political value decisions used as a basis for them’ (Germany 2003: 5, fn.3). Broadly speaking, the current policy agenda in Germany prioritizes families with children, whereas the Laeken indicators would point to other priorities.<sup>1</sup>

The German NAP may be said to engage in *translation* in comparing the effects of the different equivalence scales used in the Laeken indicators and the longer established national indicators. Issues about suitable data sources for constructing the indicators are also extensively discussed. However, one could not say that this engagement with the indicators extends to influence over the determination of policy priorities. The family-oriented reform agenda in Germany long pre-dates the NAP process. Furthermore, the indicators do not unambiguously support a child-oriented policy, suggesting that the political dynamics of this direction of reform lie elsewhere (Seeleib-Kaiser 2002).

Similar reservations apply to the way the child poverty agenda has been set in the UK. As in Germany, this policy priority pre-dates the NAP process. Furthermore, rather than the indicators driving the agenda, it seems that the agenda may drive the attention given to, and use made of, the indicators. Again, the choice of equivalence scales highlights the point. In the UK case, it proved to be politically expedient to shift to the new OECD equivalence scale and abandon the domestic McClements scale. The McClements scale treats older children as more expensive than younger children, reflecting its development in an era when the cost of childcare could be discounted, as the opportunity cost of women’s time was assumed to be low. Government measures in recent years have increasingly recognized the high cost of care of young children (Brewer *et al.* 2002). The OECD scale therefore gave a more favourable account of the impact of recent government measures on child poverty than the McClements scale (for details of how the target is defined, see HM Treasury 2003).

### Target-setting and benchmarking

First in the list of primary indicators for social inclusion is the ‘at risk of poverty’ rate, and all states have access to breakdowns of this rate which include comparable child poverty rates (Commission and Council 2004: fig. 5). It would therefore be possible for states to set child poverty reduction targets in terms of this indicator. Spain sets a general poverty target in terms of the Laeken indicator (‘to reduce the number of people with a level of income below 60 per cent of the average income level by 2 per cent throughout the duration of the Plan’ (Spain 2003: 12)). The UK’s child poverty target is defined using three different measures, one of which is the Laeken indicator.

Of the other countries, Germany does not set targets, while Sweden sets different targets. The Swedish poverty agenda is set by reference to social assistance dependency, rather than the Laeken poverty line (Sweden 2003: 15; there

is however a vaguer reference to a Laeken poverty target on p. 21). The implication is that, in Sweden, the number of people on social assistance has more political salience than the number of people at risk of poverty on the EU definition. The Laeken poverty standard is conventional: in other words, it has been adopted for the sake of having a standard, rather than because 60 per cent really represents a particularly important level of income. By contrast, the social assistance threshold reflects the state's political stance in setting the critical level of income which leads to intervention, and is therefore highly salient.<sup>2</sup>

The Swedish approach forgoes the possibility of driving forward a domestic reform agenda by reference to international comparisons. If all states reported on poverty according to their own social assistance thresholds, there would be no scope for a comparative evaluation of the adequacy of social assistance. Evaluation according to an internationally comparable threshold creates the possibility of challenging existing understandings and raising issues which are suppressed within national policy frameworks. However, if the comparative data do not have some domestic political salience, they will merely be seen as less relevant.

Spain shows more willingness than the northern states to refer to the indicators in setting out its social inclusion agenda. Why this difference between North and South? One explanation is that EU financial support for social policy initiatives is much more significant for Spain than for the northern states (Guillen and Alvarez 2004). This serves to make those involved in preparing the NAPs more responsive to EU-oriented agenda-setting; however, it is an open question whether these agendas have wider political salience.

As the discussion in section 3 highlighted, the use of targets as a mechanism for galvanizing policy-making should involve describing the intended effects of policies in terms of meeting the targets. The German report draws attention to improvements in the financial position of families with children which will be achieved through tax reform (Germany 2003: 30), while the Spanish NAP outlines programmes for 'families in a situation of social difficulty' and single-parent families (Spain 2003: 10). Neither, however, ventures to state how these measures are expected to affect the out-turn on any indicators, or contribute to meeting any target. Atkinson *et al.* (2005: 80) suggest that this is a general feature of the NAPs.

Finally we turn to the idea of *benchmarking*, where policies suitable for borrowing are identified by comparing states' success in achieving targeted values for the indicators. All the member states present examples of 'best practice' (now more often referred to as 'good practice') in their NAPs, but there were no examples in the NAPs reviewed of the use of the indicators to inform the choice of examples of best practice. The most consistent characteristic of the examples that states put forward is the use of 'innovative' governance arrangements, particularly involving subnational governments and community groups. The UK's examples illustrate partnership with the voluntary sector and 'engaging local communities' as well as an initiative from the devolved Scottish administration. Spain also reports on projects delivered by autonomous

foundations in partnership with the municipalities. Examples of good practice in the German NAP include an intergovernmental programme on 'districts with a special need for development' and a local programme for unemployed social assistance recipients, and Sweden includes local development agreements and local co-operation projects involving the voluntary sector.

More generally, it is striking that the NAPs do not present a rich array of alternative policies reflecting the diversity of national conditions. All the NAPs on social inclusion tend to present policies from a common menu. They propose to promote a more inclusive labour market through improved provision of education and training; they favour lifelong learning, the promotion of the social economy and/or the regularization of informal work, and the reconciliation of work and family life. The menu for vulnerable groups comprises immigrants, disabled people, women and children, homeless people, ex-prisoners, and people with drug and alcohol addiction problems. Not all states mention all the same groups in the same order, but there is a strong sense that accounts of domestic policy have been tailored to fit the menu. There is also a preference for selecting measures which fit within EU action programmes, such as the EQUAL community initiative. A feature of these policies is that it is difficult to frame their outcomes with reference to the indicators. Very often, the categories of people targeted are too small to have a discernible impact on the indicators.

Table 1 summarizes the findings of this section. The NAPs examined here do engage in a fairly systematic review of the Laeken indicators and also in some translation between national statistics and European statistics. This is broadly consistent with some 'Europeanization' of the way in which social policy problems are recognized and framed. In some states, this process of recognition filters through to the social policy agenda, although the degree to which this is an *ex ante* process rather than an *ex post facto* reformulation of national agendas in European terms is open to question. However, as the discussion in section 2 suggested, the limitations of the indicators become apparent in the lack of linkages between the policies under discussion and the indicated outcomes. Targets were sometimes set, but descriptions of policies linked to targets were lacking, and there were no examples in the NAPs reviewed of the use of benchmarking to select examples of best practice.

## 5. AN ALTERNATIVE POLICY PARADIGM?

The previous section showed that the social inclusion indicators do not inform the selection of best practices and other aspects of policy transfer, yet the NAPs do put forward information about policies. This section looks for the basis on which these policies are selected. It is shown that the selection of policies is informed by a set of goals (the Common Objectives) which are independent of the indicators. These goals are supported by a distinctive package of instruments which locate the policy approach within the citizenship paradigm of social policy outlined in section 2.

Table 1 Use of indicators in the policy process

<i>Use of indicators</i>	<i>Sweden</i>	<i>United Kingdom</i>	<i>Spain</i>	<i>Germany</i>
<i>Review, problem recognition shaped by indicators</i>	Presents Laeken indicators but does not discuss in text	Presents Laeken indicators but does not discuss in text	Reviews and discusses Laeken indicators	Reviews and discusses Laeken indicators
<i>Translation between common indicators and national definitions</i>	No translation, mainly national definitions used	No translation, mix of indicators used	No translation, common indicators used	Discussion of impact of different equivalence scales
<i>Agenda-setting, defining policy priorities</i>	Not apparent	Policy priority pre-dates NAP process	Some problem formulation and agenda-setting based on review of indicators	Policy priority pre-dates NAP process
<i>Target-setting and selection</i>	Target set using national definition	Three definitions for child poverty target of which one is the Laeken indicator	General poverty target in terms of the Laeken indicator	No poverty targets
<i>Benchmarking, identification of best practices</i>	No reference to indicators	No reference to indicators	No reference to indicators	No reference to indicators

The proximate reason why states do not present accounts of policies which are linked to the indicators is that the drafters of NAPs comply with the Council's guidelines, which call for an account of policy measures structured around Objectives 1–3 adopted by the Nice European Council, i.e:

- (1) to facilitate participation in employment and access by all to resources, rights, goods and services;
- (2) to prevent the risks of exclusion;
- (3) to help the most vulnerable.

It is noticeable that these objectives do not have any explicit relationship to the indicators. Thus it would seem that the OMC/inclusion has two sets of objectives or goals: outcomes defined by the indicators and policy orientations defined by the Common Objectives.

We can get some insight into how the indicators and the Common Objectives coexist from the Joint Report, drafted by the Commission and agreed by the Council (Commission and Council 2004). The account of the role of indicators offered by the Atkinson group drew attention to their potential use in the Joint Report. They argued that the Joint Report should evaluate member states' performance against the indicators and identify examples of best practice, thereby constituting a driving force for improving performance by the member states and achieving a high level of social inclusion across the Union (Atkinson *et al.* 2004: 49).

As with the NAPs, we can examine the Joint Report for different types of reference to the indicators. The Report opens with a pan-European review accompanied by a statistical appendix reporting on the primary and secondary indicators. In this respect, the indicators support a similar *review* process to that found in many of the NAPs. However, the indicators are not used for agenda-setting or policy framing in the area of child poverty in the Joint Report. For example, the discussion of 'key trends and emerging challenges' gives child poverty as one of six key priorities. However, the priority is not outlined with reference to the indicator, and the wording implies that appropriate measures might be targeted to those children at greatest risk of social exclusion (e.g. those not in education, or under state protection), rather than children in poor households generally. The focus on the children at greatest risk is taken up in Chapter 7 of the report, on 'helping the most vulnerable' (one of the Common Objectives). The section begins with a discussion of children's rights, and draws attention to the limited involvement of children in the preparation of the NAPs. It then goes on to criticize states for focusing on the headline child poverty indicator rather than going beyond the Laeken indicators and offering a broader based picture of deprivation (Commission and Council 2004: 103). In other words, the Commission, rather than undertaking an evaluation by reference to the Laeken indicators, implicitly criticizes the indicators as a basis for evaluation and proposes the Common Objectives as an alternative basis.

It is not hard to see why the Commission prefers to frame its evaluation in terms of a citizenship- and rights-based paradigm for promoting social inclusion, if we take seriously the political sensitivity of tax and benefit policy. Streeck (1996) observed that EU social policy has thrived in the interstices of national social policy, rather than engaging head-on with member states' main social policy institutions and practices. The citizenship paradigm is well suited to this non-confrontational strategy. It fits with the adoption of 'innovative' schemes, i.e. a new set of instruments which lie outside existing social policies. Very similar approaches can be adopted across countries, with limited engagement with each country's specific national institutions and social context. It would seem that the 'logic of appropriateness' of the OMC is not reflected in the presentation of a wide range of social inclusion policies which can be learned from. As noted above, the NAPs do not present a rich array of alternative policies reflecting the diversity of national conditions; instead, all the NAPs tend to present policies from a common menu.

## 6. CONCLUSION

This paper has sought to establish the nature of the learning processes that might be generated by the OMC in the field of social inclusion. By focusing on the use which is made of the indicators, it is possible to distinguish different levels of learning involving different orders of policy change. Much of the discussion about the indicators suggests that they might facilitate a technocratic process of first and second order refinement of policy instruments and settings. However, the analysis of NAPs shows that they do not do this. Member states do not spell out the tax and benefit policies which play a central role in determining poverty and inequality. Instead, the states offer up for scrutiny at the European level a different set of policies which relate to an alternative policy paradigm.

One perspective on this situation is that, for reasons of subsidiarity, the agreed indicators have to be confined to outcomes, but in the future it may be possible for member states to develop accounts of tax and benefit policies which are related to those outcomes. Currently they do not do this, but this could change with the aid of further efforts to develop the necessary technical capacity. This is the view taken by Atkinson *et al.* (2005). While quite technocratic in orientation, their position does recognize the political sensitivities involved, notably in rejecting the idea of 'naming and shaming' based on performance against the indicators (2005:139).

Another perspective is that the OMC/inclusion is successful in disseminating policies related to the new citizenship paradigm of welfare. This paradigm is more firmly established at the European than the national level, partly because it suits the institutional opportunities of the European level very well. The OMC/inclusion could be seen as providing a mechanism whereby national institutions are drawn into the citizenship paradigm, deepening its penetration into national policy-making. A number of accounts of the OMC implicitly take this view, particularly in emphasizing the role of the method in widening participation in the policy process (de la Porte and Pochet 2005). Insofar as any learning is entailed in this process, it is at the level of third order paradigm shifting.

The indicators are incidental to the citizenship paradigm, which does not share the outcome orientation and means–ends distinction that characterizes the indicators. If we expect long-established sensitivities about subsidiarity to be perpetuated within the OMC, then it follows that the indicators will remain peripheral to the process. Conversely, development of the use of the indicators in policy analysis would signal that the OMC can contribute to the promotion of first and second order cross-national learning within core areas of normal social policy-making.

**Biographical note:** Deborah Mabbett is Reader in Politics in the School of Politics and Sociology, Birkbeck, University of London.

**Address for correspondence:** Deborah Mabbett, School of Politics and Sociology, Birkbeck, University of London, Malet Street, London WC1E 7HX, UK. email: d.mabbett@bbk.ac.uk

## ACKNOWLEDGEMENTS

This is a substantially revised version of a paper presented to the ESPAnet Conference, Oxford, 9–11 September 2004. I am grateful to participants in the ESRC seminar programme on ‘Implementing the Lisbon Strategy’, particularly Waltraud Schelkle, and to Helen Bolderson, for discussions and comments. Thanks also to two anonymous referees for their suggestions. The usual disclaimer applies.

## NOTES

- 1 Atkinson *et al.* (2005: 49, 75 and 117–18) note that the analysis of child poverty is sensitive to equivalence scales, and discuss the German case as well as other examples.
- 2 Similar points are made by Atkinson *et al.* (2005: 82), discussing the use of the national minimum income standard in the Dutch NAP.

## REFERENCES

- Anderson, J. (2000) *Public Policymaking*, New York: Houghton Mifflin.
- Arrowsmith, J., Sisson, K. and Marginson, P. (2004) ‘What can “benchmarking” offer the open method of co-ordination?’, *Journal of European Public Policy* 11(2): 311–28.
- Atkinson, A.B. (2002) ‘Social inclusion and the European Union’, *JCMS* 40(4): 625–43.
- Atkinson, A.B. (2005) ‘EUROMOD and the Development of EU Social Policy’, EUROMOD Working Paper 01/05, University of Essex.
- Atkinson, A.B., Cantillon, B., Marlier, E. and Nolan, B. (2002a) *Social Indicators: The EU and Social Inclusion*, Oxford: Oxford University Press.
- Atkinson, A.B., Cantillon, B., Marlier, E. and Nolan, B. (2002b) ‘Indicators for social inclusion’, *Politica Economica* 18(1): 7–47.
- Atkinson, A.B., Marlier, E. and Nolan, B. (2004) ‘Indicators and targets for social inclusion in the European Union’, *JCMS* 42(1): 47–75.
- Atkinson, A.B., Cantillon, B., Marlier, E. and Nolan, B. (2005) *Taking Forward the EU Social Inclusion Process*, Report for the Luxembourg Presidency of the Council of the EU, Final Version 31 July (available from [http://www.ceps.lu/eu2005\\_lu/inclusion/report/final\\_report.pdf](http://www.ceps.lu/eu2005_lu/inclusion/report/final_report.pdf)).
- Begg, I. and Berghmann, J. (2002) ‘Introduction: EU social (exclusion) policy revisited?’, *Journal of European Social Policy* 12(3): 179–94.
- Borras, S. and Greve, B. (2004) ‘Concluding remarks’, *Journal of European Public Policy* 11(2): 329–36.
- Bradshaw, J. (1999) ‘Child poverty in comparative perspective’, *European Journal of Social Security* 1: 383–406.
- Brewer, M., Clark, T. and Goodman, A. (2002) *The Government’s Child Poverty Target: How Much Progress Has Been Made?*, London: Institute for Fiscal Studies.
- Büchs, M. and Friedrich, D. (2005) ‘Surface integration. The National Action Plans for employment and social inclusion in Germany’, in J. Zeitlin and P. Pochet (eds), *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies*, Brussels: P.I.E.-Peter Lang, pp. 249–85.
- Cantillon, B. (2004) ‘European subsidiarity versus American social federalism: is Europe in need of a common social policy?’, Paper for the Second Annual ESPAnet Conference, 9–11 September, Oxford.

- Commission and Council (2004) *Joint Report by the Commission and Council on Social Inclusion*, Brussels: Employment, Social Policy, Health and Consumer Affairs Council.
- de la Porte, C. and Pochet, P. (2005) 'Participation in the open method of coordination. The cases of employment and social inclusion', in J. Zeitlin and P. Pochet (eds), *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies*, Brussels: P.I.E.-Peter Lang, pp. 353–89.
- DWP (2003) *Measuring Child Poverty Consultation: Preliminary Conclusions*, London: Department for Work and Pensions.
- European Communities (2004) *Facing the Challenge: The Lisbon Strategy for Growth and Employment*, Report from the High Level Group chaired by Wim Kok, Luxembourg: European Communities.
- Germany (2003) *Strategies to Enhance Social Integration: National Action Plan Against Poverty and Social Exclusion 2003–2005*, Berlin: Federal Government.
- Guillen, A.M. and Alvarez, S. (2004) 'The EU's impact on the Spanish welfare state: the role of cognitive Europeanization', *Journal of European Social Policy* 14(3): 285–317.
- Hall, P.A. (1993) 'Policy paradigms, social learning, and the state', *Comparative Politics* 25(3): 275–96.
- HM Treasury (2003) *The Strength to Take the Long-term Decisions for Britain: Seizing the Opportunities of the Global Recovery*, Cm. 6042, London: The Stationery Office.
- Jacobsson, K. (2004) 'Soft regulation and the subtle transformation of states: the case of EU employment policy', *Journal of European Social Policy* 14(4): 355–70.
- Lister, R. (2004) *Poverty*, Cambridge: Polity Press.
- Lundvall, B-A. and Tomlinson, M. (2002) 'International benchmarking as a policy learning tool', in M.J. Rodrigues (ed.), *The New Knowledge Economy in Europe*, Cheltenham: Edward Elgar, pp. 203–31.
- Matsaganis, M., O'Donoghue, C., Levy, H., Coromaldi, M., Mercader-Prats, M., Farinha Rodrigues, C., Toso, S. and Tsakoglou, P. (2004) *Child Poverty and Family Transfers in Southern Europe*, EUROMOD Working Paper EM2/04, Department of Applied Economics, Cambridge.
- Radaelli, C. (2003) *The Open Method of Coordination: A New Governance Architecture for the European Union?*, Stockholm: Swedish Institute for European Policy Studies.
- Schekle, W. (2005) 'Understanding new forms of European integration: a study in competing political economy explanations', in E. Jones and A. Verdun (eds), *The Political Economy of European Integration: Theory and Analysis*, London: Routledge, pp. 149–69.
- Seeleib-Kaiser, M. (2002) 'A dual transformation of the German Welfare State', *West European Politics* 25(4): 25–48.
- Spain (2003) *Second National Action Plan on Social Inclusion of the Kingdom of Spain 2003–2005*, Madrid: Ministerio de Trabajo y Asuntos Sociales.
- Streeck, W. (1996) 'Neo-voluntarism: a new European social policy regime?', in G. Marks, F. Scharpf, F. Schmitter and W. Streeck (eds), *Governance in the European Union*, London: Sage, pp. 64–94.
- Sweden (2003) *Sweden's Action Plan against Poverty and Social Exclusion 2003–2005*, Stockholm: Ministry of Health and Social Affairs.
- Szyszczak, E. (2001) 'The new paradigm for social policy: a virtuous circle?', *Common Market Law Review* 38: 1125–70.
- Taylor-Gooby, P. (1997) 'In defence of second-best theory', *Journal of Social Policy* 26(2): 171–92.
- Trubek, M. and Mosher, J. (2003) 'New governance, employment policy, and the European social model', in J. Zeitlin and D. Trubek (eds), *Governing Work and Welfare in a New Economy: European and American Experiments*, Oxford: Oxford University Press, pp. 33–57.

- United Kingdom (2003) *UK National Action Plan on Social Inclusion 2003–2005*, London: Department of Work and Pensions.
- Uusitalo, H. (1985) 'Redistribution and equality in the welfare state', *European Sociological Review* 1(2): 163–76.
- Vleminckx, K. and Smeeding, T. (eds) (2001) *Child Well-being, Child Poverty and Child Policy in Modern Nations*, Bristol: The Policy Press.
- Wallace, H. (2001) 'The changing politics of the EU: an overview', *JCMS* 39(4): 581–94.

Final version accepted for publication 10/11/05