

Opening the Open Method of Coordination

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Plan of the Talk

- I. What Is the Open Method of Coordination?
- II. Theoretical Promise of a New Mode of EU Governance
- III. The OMC in Practice: Empirical Realities and Impact
- IV. Opening the OMC

I. What Is the Open Method of Coordination?

- “Open coordination is a mutual feedback process of planning, examination, comparison and adjustment of the policies of [EU] Member States, all of this on the basis of common objectives.” (Vandenbroucke)
- Effectiveness of the process depends on the development of common indicators, benchmarks, and targets, accompanied by peer review and exchange of good practices, in order to facilitate mutual learning and monitor progress towards agreed goals.

Open participation: A vital ingredient of the OMC

- Both the legitimacy and the effectiveness of the OMC also depend on the participation of the widest possible range of actors in policy formulation, implementation, and evaluation at all levels (EU, national, regional/local) in order to:
 - ensure the representation of diverse perspectives
 - tap the benefits of local knowledge
 - hold public officials accountable for carrying out mutually agreed commitments

Advantages of a broad definition

- Abstracts from the many procedural variants within the OMC, especially between:
 - highly institutionalized treaty-based coordination processes (European Employment Strategy, Broad Economic Policy Guidelines)
 - more loosely structured coordination processes (e.g. social inclusion, pension reform)

Recipe or cookbook?

- “Open coordination is not some kind of fixed recipe that can applied to whichever issue....[It] is a kind of cookbook that contains various recipes, lighter and heavier ones.” (Vandenbroucke)
- Variations in modalities and procedures depending on:
 - the specific characteristics of the policy field;
 - the Treaty basis of EU competence;
 - the willingness of the Member States to undertake joint action
- Commission and Council powers
 - can issue joint recommendations to Member States on implementation of the EES and BEPG;
 - but not (yet/ever?) on social inclusion and pension reform OMCs

Format and periodicity

- Annual NAPs and guidelines for the EES and BEPG
- Bi-annual NAPs but no guidelines (yet?) for social inclusion
- ‘National Strategy Reports’ every 3-4 years for pension reform (and eventually health care?), with annual updates for BEPG; guidelines unlikely
- Proposed ‘streamlining’ of economic and employment policy coordination cycles
 - Synchronization of BEPG and Joint Employment Package
 - Reinforced medium-term orientation of guidelines
 - Clearer division of labor between OMC processes

Other OMC processes

- Cardiff process': annual reports on structural reform of product and capital markets, feeds into BEPG
- Education: common objectives, voluntary harmonization or 'interoperability' of tertiary degree structures (Bologna Process)
- Other elements of 'Lisbon Strategy': R&D/innovation, information society, enterprise policy (annual scorecards)
- Immigration and environment: OMC as a tool for monitoring/completing implementation of EU legislation
- Social Dialogue: implementation of European framework agreements through OMC-like process of follow-up and monitoring (teleworking, lifelong learning)

II. Theoretical Promise of a New Mode of EU Governance

- A highly promising instrument for identifying and pursuing broad common concerns while respecting national diversity
- Encourages convergence of objectives, performance, and policy approaches, but not of specific programs, rules, or institutions
- A powerful cognitive and normative tool for giving practical content to the idea of a distinctive EU social model based on shared European values

OMC as a mechanism for experimental learning

- A highly promising instrument for promoting crossnational deliberation and experimental learning across the EU
- Systematically and continuously obliges Member States to pool information, compare themselves to one another, and reassess current policies against their relative performance
- The EU as “a natural laboratory for policy experimentation” (Rodrigues Report)
- Mechanisms of mutual learning: benchmarking, definition of common indicators and targets, mutual surveillance, peer review, exchange of good practices, deliberation

OMC as a policy model

- OMC has rapidly become a virtual template for EU policy making in complex, politically sensitive areas:
 - proliferation of new processes in social protection and other fields
- OMC has also begun to attract widespread attention from academics and policy makers in other parts of the world, as a possible tool for:
 - improving multi-level governance in federal systems (e.g. US)
 - for enhancing the implementation of common commitments within international organizations

Is OMC a threat to the Community Method?

- A commonly voiced objection
- Commission White Paper on Governance: OMC is a potential threat to institutional balance and Treaty achievements; should not be used when legislative action under the Community Method is possible
- Others see the value of OMC primarily as a transitional step towards Community legislation
- But is there a real conflict between the two approaches, or are they complementary?

OMC and the Community Method: Conflicting or complementary approaches?

- OMC most often used where:
 - EU Treaty powers are limited
 - there is insufficient consensus/political will among Member States to enact binding directives
 - policy fields are too complex/diverse to be credibly harmonized at European level (e.g. employment and social protection)
- But OMC can be used as a more flexible and revisable means of implementing EU legislation/European Social Dialogue agreements
 - e.g. environment, immigration, teleworking
- OMC could also be used as a practical vehicle for implementing the Charter of Fundamental Rights
 - e.g. “accessibility” and “quality” alongside “financial sustainability” as objectives of an incipient health care OMC, based on right of access to quality health care

Infringement or extension of subsidiarity?

- Another frequently raised concern about OMC is that it violates the principle of subsidiarity by bringing EU policy making into areas of exclusive national or subnational competence (e.g. social assistance)
- Properly understood, however, OMC does not involve the subordination of one level of government to another, but rather a collaborative mode of governance in which each level contributes its distinctive knowledge and resources to tackling common crosscutting problems, thereby extending rather than infringing subsidiarity

III. The OMC in Practice: Empirical Realities and Impact

- How far has the theoretical promise of the OMC as a new mode of governance been realized in by ‘actually existing’ OMC processes?
- Jury still remains out on new OMC social protection processes, only one of which (inclusion) has as yet completed a full round of NAPs/strategy reports and joint reviews
- But preliminary results are encouraging (esp. for social inclusion) in terms of OMC’s capacity to build a normative consensus around common objectives, identify common challenges and promising policy approaches, and promote the involvement of NGOs and other civil society actors

The EES as a test case

- EES has been running for 5 years on an annual basis, and has just been subjected to a thorough mid-term evaluation
- Despite serious methodological difficulties associated with this exercise, there is now a superabundance of empirical information on the operation and impact of the EES from Commission, Member State, and academic sources
- Verdict: mixed

Positive achievements

- General increase in the salience and ambitions of employment policies at both European and national levels
- Enhanced national awareness of policies, practices, and problems in other Member States
- Administrative reorganization
 - better horizontal integration of interdependent areas (e.g. labor market policy, social assistance, unemployment insurance, pensions, taxation)
 - more decentralization (especially of public employment services)
 - increased attention to vertical coordination between levels of government

Policy change: one-way impact or two-way interaction?

- Broad shifts in policy thinking of Member States
 - e.g. active and preventative approach to combating unemployment
 - focus on raising employment rates
 - lifelong learning and active ageing
 - reconciling work and family life
- Causal effects hard to determine
 - Member States' policy orientations had often begun to change before the creation of the EES, whose guidelines they also helped to define
 - Hence better to speak of two-way interaction than one-way impact
- Biggest influence in area of equal gender opportunities
 - EES able to raise new issues even for best performing Member States
 - e.g. occupational segregation in the Nordic countries

Practical limitations: mutual learning

- Surprisingly little success of EES in identifying which types of active labor market policies or tax-benefit reforms were most effective under which circumstances, and revising the guidelines accordingly
 - But the evaluation process has now produced a great deal of evidence which could be used for that purpose
- Nor do Member States appear to have made much tangible progress in drawing on crossnational learning at the level of local practice
 - E.g. about how best to integrate labor market activation with social inclusion, balance flexibility with security, or extend the scope of lifelong learning to a wider section of the population

Practical limitations: openness and participation

- Lack of transparency, public awareness, and participation
 - In most Member States, EES remains little known or is regarded as a narrow, technocratic reporting process involving mainly high civil servants in direct contact with EU institutions
 - Rarely seen as a broad, open policy making process, accessible to all stakeholders
- Involvement of the social partners
 - Most Member States have sought with some success to involve unions and employers organizations more fully in the NAP process
 - But tight timetable, bureaucratic rigidity of the procedure, and disagreements about the objectives remain significant obstacles

Practical limitations: openness and participation (2)

- Many Member States have also sought to involve regional/local actors/authorities in the implementation of their NAPs
- But few Member States have sought to broaden participation in the EES to NGOs and civil society groups beyond the traditional social partners (e.g. anti-poverty networks, women's organizations, associations of the disabled)
- And few have sought to involve regional/local authorities in the formulation and monitoring, as opposed to the implementation, of their NAPs

Practical limitations: mutual learning (2)

- Consequently, as the Commission's own technical evaluation of the territorial dimension of the EES observes:
 - there are no (or at least very few) examples of upward transfer of promising local policy solutions to the national and European levels
 - nor is there evidence of modification of national programs and EU guidelines in light of positive or negative experiences at subnational levels
- “...To date information has flowed only one-way – from the national to other levels.”

IV. Opening the OMC

- Empirical evidence from the evaluation process thus suggests that the EES during its first 5 years has only partially realized the theoretical promise of the OMC as a new mode of EU governance
- For the future of the OMC, as well as the EES, it is essential that the EU and the Member States take advantage of the mid-term review to improve the process and overcome the weaknesses highlighted by the evaluations

Greater parliamentary involvement: The key to reforming the OMC?

- Many proposals for improving the legitimacy and effectiveness of the EES/OMC focus on increasing the role of European and national parliaments, e.g. in debating and approving guidelines and NAPs
- Both the EP and national parliaments could valuably participate in framing OMC objectives and procedures, monitoring progress toward agreed goals, and revising the process in light of the results achieved
- But greater parliamentary involvement can hardly be regarded as a panacea, since there is already a longstanding democratic deficit at national level
- Limits of detailed parliamentary control over policy making and administration in complex areas like employment and social protection

Making the Employment Strategy Work

- Open the process to participation by a wider range of actors and make it more transparent
- Mainstream the NAPs into national policy making at all levels
- Strengthen mechanisms for mutual learning

Increase openness and transparency

- Encourage participation of all relevant actors
 - e.g. civil society groups, NGOs, social partners, national parliaments, public agencies, regional and local authorities
- Make information more freely available
 - EU Committees responsible for running OMC processes (e.g. EMCO, EPC, SPC) should place all documents on a public website once they have been discussed internally
 - OMC Committees should release summaries of their internal discussions after an appropriate interval

Mainstream the NAPs into national policy making

- Benchmark the integration of NAPs/strategy reports into national policy making processes
- Provide a mechanism for review and adjustment of existing policies (including budgetary and fiscal decisions) in light of OMC commitments
- Allow regional and local authorities to participate in preparation and monitoring as well as implementation and dissemination of national strategies, plans, and targets

Reinforce mechanisms for mutual learning

- Mutual surveillance
 - limits of NAP reviews (time, centralization)
- Peer review and exchange of good practices
 - need for wider participation and dissemination
- From indicators to diagnostic standards
 - indicators should be sufficiently precise, disaggregated, and comparable to serve as diagnostic standards or tools for self-corrective action by national and local actors
 - non-governmental and subnational actors should be able to contribute to their formulation and revision (cf. social inclusion)
 - indicators should be periodically benchmarked to assess their causal/predictive value

Make the OMC a useful tool for local actors

- OMC can only become fully legitimate and effective if it mobilizes the participation of a wide range of actors within the EU at all levels – above all the local – and provides them with systematic tools to learn from one another in solving the practical problems that confront them