

The Method of Open Co-ordination: open procedures or closed circuit? social policy making between science and politics

Abstract: This article explores the use and meaning of the open method of co-ordination as a policy instrument and seeks to address the question of whether open co-ordination can serve as an alternative to mainstream political and democratic decision-making in European social policy. It first analyses the concept of open co-ordination, and illustrates the process of applying it by discussing three conferences that were organised under the Belgian EU Presidency. Such conferences play a crucial role and are illuminating for the light they throw on the open co-ordination process. It then assesses some of the advantages and disadvantages of open co-ordination. The authors conclude that the process suffers from some major shortcomings. One important weakness is the lack of open access to scientific and political debates. Due to the fact that ‘open’ co-ordination often takes place in ‘closed’ networks¹, there is the danger of what we refer to as a ‘double deficit’, namely a lack of scientific peer review and of open and accessible democratic debate. However, we conclude that in spite of such shortcomings, open co-ordination has been quite effective in bringing a number of issues to the political agenda. The article ends with some recommendations for improving on open co-ordination as a policy instrument.

1. INTRODUCTION

Processes of internationalisation and differentiation of the economy have affected the steering capacity of governments as well as the legitimacy of their policies. On the one hand, such changes have reduced the ‘span of control’ of national governments, for example by shifting decision-making power over monetary policies from the national level to the level of the European Union (EU). On the other hand, there is mounting pressure from the general public on governments to address new problems in society, and to co-ordinate policies at a national and subnational level. In the last decade, modern industrial states have engaged in a variety of experiments with new forms of policy, like ‘co-ordinated decentralization’ (in Danish labour market policies); the open method of co-ordination’ (in the social and economic policies of the EU); ‘learning by monitoring’ (in social and industrial policies in Japan); ‘democratic experimentalism’ (in American education

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¹ In the last decade, the term network has received growing attention in public policy theory (Atkinson and Coleman, 1992; Van der Grinten, 1994). The term indicates a system of collaborating individuals or organisations that share certain interests, principles or goals. Over time, such network can turn into an ‘epistemic community’, a group of experts using similar terms and concepts. Dowling questions the validity of ‘network theories’, arguing that the term network should be seen as a metaphor (Dowling, 1995) **Editors’ note – this is not on the list of references**].

policy); and ‘urban renewal’ (in Dutch local policy). Collectively, this set of new and experimental policies has been defined as ‘democratic experimentalism’ (Hemerijck 2001; Cohen and Sabel forthcoming; Zeitlin, 2002). One interesting feature of this new approach to social policy is the ‘open method of co-ordination’ (or ‘open co-ordination’), which has become increasingly important in the shaping of European social policies. In some policy areas, for example, employment policies or pension policies, the regular democratic processes of policy preparation in the EU appear to be on hold while the EU Member States experiment with this new procedure.

2. WHAT IS ‘OPEN CO-ORDINATION’?

Adapting Vandenbroucke’s approach, Zeitlin (2002) defines the ‘open method of co-ordination’ as ‘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’. Zeitlin sees open co-ordination as a ‘highly promising governance instrument for EU policy making’. The term ‘open method of co-ordination’ (‘open co-ordination’) was first used during the Portuguese Presidency in 2000 by former Minister Rodrigues, and mainly applied to policy issues in the field of employment. Under the Presidencies of Sweden and France, its application was extended to the fields of social protection and health care. The policy instrument of open co-ordination is based on informal debate of subjects on which European countries are unlikely to reach a formal agreement easily. It assumes that regular democratic procedures are put on hold while the development of European social policy is discussed.

Until the mid-1990s European countries showed little or no interest in a common social policy. During this decade, the main policy focus was on economic integration. Based on the principle of subsidiarity, that locates responsibility for policy decisions at the lowest possible level of authority, the EU Treaty explicitly states that national governments have full competences on social policies. During their 1997 meeting in Amsterdam, however, the EU leaders agreed on an extension of the Treaty with the framing of a common employment strategy in Europe (De la Porte, 2002 Ferrara, Matsaganis and Sacchi, 2002 . That strategy mainly consists of the systematic comparison of policies and results (the spread of ‘best practices’) across the EU. For this purpose, the leaders also agreed (during their meeting in Luxembourg later that year) on 19 common guidelines for national employment policies. Indirectly, the agreement committed the EU member states to a set of common policy goals, to be realised within the framework of their national policies.

The above developments illustrate the growing interest in social issues in the second half of the 1990s. The influence of EU law on national social policies has also been growing. For example, European competition law (which all EU countries have translated into their national law) limits the power of national governments to impose rules and regulations on their markets. Recent rulings of the European Court of Justice (ECJ) have confirmed that, in health care, both patients and medical professionals can cross borders to seek and to offer services abroad without facing undue barriers from national legislation. Similarly, common market rules have reduced barriers for the insurance and pharmaceutical industries to offer their goods and services in all EU countries. In the absence of common principles for social policies, the ECJ bases its rulings on existing principles in other policy areas, in particular those concerning the common market and competition.

In the last decade, growing numbers of critics have voiced their concern about the lack of European competence in social policies. They argue that the EU Treaty should, at least, contain common principles that would provide guidance for national policies. However, as there has been little support for the extension of the ‘hard law’ of the Treaty and its concurrent regulations, the ‘open method of co-ordination’ seems to offer a more promising approach.² This process starts

² It is not easy to formulate a fitting definition of ‘open co-ordination’. De la Porte (2002) describes aspirations and ambitions rather than what open co-ordination is: “..a means of spreading best practice, a learning process for all players in the process .. It is also

with the agreement of participating countries on a common set of principles and indicators that allow for the monitoring and international comparison of policy outcomes ('benchmarking'). They then agree to discuss regularly, for example once per year, best practices and progress in realising social policy goals. Another policy area where this process found its application, is the gradual convergence of fiscal and monetary policies in the EU as necessary steps in the establishment of the European Monetary Union. Even while this benchmarking has no formal status, the (public) discussion of policy inputs and policy outcomes can lead to a certain degree of policy convergence. The initiators hope that in the end, this incremental approach will lead to an extension of the formal competencies that are provided by the EU Treaty.

The policy instrument of open co-ordination is not in itself new. For example, in an effort to seek support for a new approach to the concepts of health and health care, the World Health Organisation (WHO) framed explicit policy goals in the famous document *Health for All* of 1978 (WHO, 1978). All WHO member states have signed the so-called Alma Ata Declaration agreeing that they will bring out regular reports on their progress in realising those goals. Another example of policy indicators is provided by the report *Society at a Glance* of the Organisation for Economic Co-ordination and Development. (OECD, 2001) This report contains extensive data on the context of social policies, the social status of the population, and societal actions of member countries. It will serve to assess the results of policy efforts and to compare OECD countries. In both cases, the international organisations have not imposed (or rather, *cannot* impose) formal rules on their member states but they see the publication of the policy targets and policy indicators as an informal way to reach agreement on common policies. In terms of public policy theory, they use 'suasion'.³

3. THREE POLICY CONFERENCES IN ANTWERP, LEUVEN AND GHENT

During the second half of 2001, Belgium chaired the European Union (EU). That Presidency led to an impressive agenda of activities. Apart from the regular gatherings of the European Council and other administrative committees, several Belgian Ministries initiated special meetings. In the area of social policies, that agenda included a wide range of international conferences and other events. Under the leadership of the enterprising and academically active Minister of Social Affairs, Frank Vandebroucke, three international conferences took place in Antwerp (September 2001), Leuven (September 2001) and Ghent (December 2001). The main issues on the agenda were respectively social indicators; the future of European pension systems and the growing influence of EU law on national health policies. The organisers had invited participants with varied backgrounds, namely politicians, academics, higher civil servants, policy advisors and others. For each conference, a group of academics was asked to prepare extensive documentation.⁴ Their reports were discussed during the conferences. The conferences appeared to represent an important example of the open method of co-ordination, setting the agenda, discussing the development of indicators, and deliberating on the need to expand the powers of the EU into the

meant to improve and deepen democratic participation". In his closing address to the Ghent conference in October 2001, Vandebroucke describes the open co-ordination as a learning process, an instrument for policy learning based on peer review and mutual exchange of experiences. Furthermore, he adds that he considers the open co-ordination as a weapon to fight the erosion of the welfare state in Europe, and a means to contribute to the realization of the "European Social Model" (Vandebroucke, 2001).

³ Governments use a range of policy instruments to realise their goals. Such instruments range from 'soft' instruments like suasion (e.g. giving speeches, organising conferences, commissioning studies for expert committees), self-regulation or providing subsidies for certain activities, to 'harder' instruments like taxation, regulation or nationalisation (Stanbury, 1968).

⁴ T. Atkinson, B. Cantillon, E. Marlier and B. Nolan. 2001. *Indicators for Social Inclusion in the European Union*. Report submitted to the Belgian Presidency of the European Union; G. Esping-Andersen, D. Gallie, A. Hemerijck and J. Myles. 2001. *A New Welfare Architecture for Europe?* Report submitted to the Belgian Presidency of the European Union; E. Mossialos, M. McKee, W. Palm, B. Karl and F. Marhold. 2001. *The Influence of EU Law on the social character of health care systems in the European Union*. Report submitted to the Belgian Presidency of the European Union.

area of social policy. Although the basic format of the conferences – the preparatory process and chairmanship, the presentations and the categories of participants were similar – the three meetings played strikingly different roles in the policy cycle. The first addressed the development and use of ‘social indicators’, a topic that had been discussed before, and on which the European leaders had already reached a fair degree of consensus. The second concerned the future of social protection, in particular the future of pension systems in Europe. During the meeting, it became clear that political opinions still diverge widely on this issue. The third looked at the need to expand competences of the EU in the area of health policy. This is clearly in a very early stage of debate indeed.

3.1. *Antwerp*

The first of the three conferences discussed the report *Indicators for Social Inclusion in the European Union* (Atkinson *et al*, 2001). This report aims to contribute to the development of social indicators as a policy instrument for social inclusion policies in the EU. The authors also seek to play a role in the public debate. They recognise that national governments bear the primary responsibility for social inclusion policies, but it also notes a growing awareness of the importance of this field at the EU level. The participants of the Lisbon summit in the autumn of 2000 agreed that the policy goal of creating a dynamic and competitive economy had to go hand in hand with improved employment and social cohesion. For that purpose, open co-ordination could provide some guidance for national policies. At the meeting in Nice later that year, the European leaders agreed to frame national social action plans, and to participate in a regular monitoring and reporting system. In March 2001, the EU Commission presented its first ‘synthesis report’ summarising national experiences. (EU 2001)

This report prepared for the Antwerp conference contains several recommendations to improve the practical use of the indicators. As a next step, it recommends that governments work together with stakeholders, non-governmental groups and citizens in the common framing of social indicators for all European countries. Meanwhile these recommendations have been taken over by the Social Policy Committee, by the Ministers for Social Affairs and by the Laeken Summit.

3.2. *Leuven*

The conference in Leuven on 19-20 October, 2001 addressed the main issues of the report *A New Welfare Architecture for Europe?* (Esping-Andersen *et al*, 2001) The central question of this report is ‘how to sustain Europe’s normative commitment to social justice while aspiring to be a truly competitive force in the evolving knowledge economy’. The authors emphasise the central role of the family in building an individual’s chances for success in life. The prevention of social exclusion, the creation of equal chances and the protection of weak groups in society require early interventions. The report describes the risks and needs in the successive stages of life and addresses issues of intergenerational justice, the role of women in the labour market, and the threat of a two-tier labour market with segmentation between high-skill and low-skill workers. The authors support the introduction of the ‘Musgrave norm’, that is a constant share of the future pension burden between generations. In addition, they support income-related payments for the additional costs of retirement in order to protect the lower income groups. For all these issues, they conclude that there is a need for a strong and effective European social policy.

3.3. *Ghent*

The third conference, in December 2001 in Ghent, focused on the growing influence of EU law on national health policies. (Mossialos *et al*, 2001) The authors of the report *The Influence of EU Law*

on the Social Character of Health Care Systems fear that the dominant common market goals will crowd out the social policy principles of European health care systems. For example, competition law restricts the attempts of national governments to regulate national markets for pharmaceuticals and other products. Recent rulings of the European Court of Justice (ECJ) confirm that patients and medical professionals can cross borders to seek and offer health services abroad. The report proposes that, in future, the EU Treaty should include explicit policy goals in the area of health care.

4. ADVANTAGES AND DISADVANTAGES OF OPEN CO-ORDINATION

For many decades, political scientists have discussed criteria to assess the advantages and disadvantages of policy instruments. (Klee, 2000) Some mention effectiveness and efficiency ; others emphasise legitimacy. . In order to assess policy instruments, Hemerijck has framed four central questions: ‘is it applicable’, ‘does it work’, ‘is it appropriate’ and ‘is it allowed’? (Klee, 2000; Hemerijck, 2001) The first two questions concern the effectiveness of policy instruments, the second pair of questions refer to their legitimacy. These four questions can also serve as criteria to assess the method of open co-ordination.

At first glance, the open process of co-ordination – at least when measured by the results of the three conferences in Belgium – seems to be an effective policy instrument. The three conferences were based on careful and systematic preparation, and brought together academics, policy advisors and other experts in informal networks. This format had a number of obvious advantages. Such policy networks can serve as depoliticised fora for policy debate, and facilitate the exchange of experiences and the dissemination of information about ‘best practices’. They serve as a testing ground for new methods and new policy ideas and create the basis for future collaboration. In particular, public servants serve as intermediaries between the worlds of academia and politics. They translate the results of academic studies into policy advice and frame the questions of interest for further study. In his evaluation of the European employment strategy, Zeitlin (2002) notes that the open method of co-ordination has been successful in promoting more horizontal integration among formally separate administrative areas, e.g. the labour market, social assistance and pensions, greater decentralisation, and increased attention to vertical co-ordination between national, regional and local levels of government. In short, there are many aspects that add to the effectiveness of open co-ordination.

There are, however, disadvantages as well. The first one is the general tendency of organisations to formalise, centralise and expand their ambitions. In general, governments often start with ‘soft’ policy instruments but, when experiencing a lack of success, they tend to shift towards ‘harder’ instruments. (Stanbury, 1968) There are numerous examples of such shifts. In the UK, the New Labour administration decided to set up the National Institute for Clinical Excellence (NICE). While it does not replace the existing informal Cochrane network of collaborating academic centres engaged in medical technology assessment, it clearly takes a more centralised and formalised perspective. In addition, the Government set up the Commission for Health Improvement (CHI) to make sure British health care providers would follow NICE’s recommendations. Pharmaceutical and food safety policies provide other examples. The European countries have created one central agency for the market approval of new pharmaceuticals, the EMEA, and in the early 2000s, they decided to create a European food safety institute. Such forms of centralisation and formalisation of pre-existing informal networks harbour the potential for bureaucracy and rigidity that in turn can erode their effectiveness. In addition, such centralisation does not seem compatible with the general policy principles of decentralisation and subsidiarity. And as a matter of empirical outcome, Zeitlin (2002) notes very modest results in identifying or applying lessons from ‘best practices’ in labour market policies. The limited involvement of non-

traditional actors in the European Employment Strategy has also hindered effective implementation.

There are also issues relating to the legitimacy of open co-ordination. Informal networks often tend to expand their ambitions far beyond their original purpose. For example, the European Health Management Association (EHMA) started as an informal meeting ground for hospital managers. Over time, it developed into a broader network of health care providers. It also broadened its ambitions as a publisher of academic studies (see e.g. its report *A Scientific Evaluation of the Impact of Market Forces on Health Systems. Review of Evidence in the 15 European Union Member States* (EHMA, 2000)).

Like the well-know ‘comitology’, in which expert committees play a dominant role in drafting regulatory proposals for the EU, the open method of co-ordination depends heavily on experts who are not accountable in the regular democratic processes (Cohen and Sabel, forthcoming). Another, perhaps more serious, problem is the blurring of the border between the worlds of academia and politics. Informal networks provide a regular meeting ground of experts with diverging backgrounds and create personal ties. When the participants know each other well, it is harder to maintain a critical and objective stance.⁵ The description of the conferences under the Belgian Presidency as academic meetings illustrates this point. While the documents prepared by experts carried the weight of academic contributions, the discussion during the conferences focused on political steps of implementation. The preparation of the meetings, the agenda and the invitations were all handled by the same group.

Yet another problem is linked to the size and scope of policy networks. As networks expand, they may gain a monopoly position in a certain area, including all of the dominant experts. This raises an interesting paradox: on the one hand, networks are established in order to create ‘epistemic communities’; at the same time, they can defeat their very purpose when the epistemic community becomes a closed or even autistic network with little or no outside contacts. They then exclude real debate or the possibility of contesting and challenging certain views and positions. In this regard, the open method of co-ordination suffers from what we call a ‘double deficit’ of both a lack of open access to academic scrutiny of underlying issues and concepts and a lack of open access to democratic debate on its political ramifications.

Finally, closely related to the above point, is the limited or absent peer review of scientific reports and documents discussed during the meetings, and the lack of open access to political debate. Social policies constitute some of the core political issues in modern society, and as most are by their nature redistributive, they always evoke discussion and dispute – and should do so in a democratic society. It is interesting to note that ‘open’ co-ordination actually takes place in closed meetings. This ‘double deficit’ of both an academic and a political nature seriously limits both the value of scientific work and the legitimacy of the political process.

5. CONCLUSIONS AND RECOMMENDATIONS FOR THE FUTURE

The above observations about the shortcomings of international conferences as a core element of the open method of co-ordination do not lead us to conclude that this policy instrument is either undesirable or unfeasible. Rather, looking back at the results of the three conferences under the Belgian Presidency, we conclude that they have been surprisingly effective in helping to place policy topics on the political agenda and to shape the debate on the important issues of social cohesion and the future of pension and health care systems in Europe. The informal setting, the

⁵ The two authors of this contribution speak from personal experience; while the first (JB) has shown great interest in politics during his long career as an academic, the second (KO) began her academic work as a government policy advisor.

systematic preparation and the varied backgrounds of participants in the meetings, all combined to create an interesting debate between academics, politicians and administrative policy advisors.

At the same time, there is a clear need to clarify the roles and functions of the participants in the process of open co-ordination. When academics act as 'policy advocates', taking normative positions, and when politicians present themselves as academics, it is hard for the reader or listener to know who is acting in what capacity, and to understand the basic rules of the debate. The clarification of roles requires a certain respectful distance between academics and politicians, even where the two worlds address the same topics and although they both need each other. That also requires reflection on the way such functions and roles can best be fulfilled.

The second improvement concerns the bridging of the 'double deficit' by introducing both independent peer review of scientific reports and publications (for example by publishing in peer-reviewed journals, by seeking independent comments and reviews of publications and by presenting results in conferences open to others), and by widening the access to the political debate beyond invited participants only. In a similar vein, for similar reasons, Zeitlin (2002) advocates broadening the participation of the EES process to a wider range of actors. He also suggests that the agreed national action plans for employment strategy become formalised in national policy making.

Our third point concerns the organisation of international conferences. When the preparation of the meetings, the writing and editing of background reports, the selection of participants and the setting of the agenda are all handled by the same expert group, the meeting clearly takes on the character of a political meeting, not a scientific one. There is a need to prevent the creation of closed networks, particularly in the 'open process of co-ordination', by disentangling – and perhaps keeping some distance between – academic and political roles, and by opening access to scientific discussions and political debate.

Our final conclusion is that simply because the method of open co-ordination is a relatively 'young' policy instrument, there is an opportunity to tackle its methodological and organisational shortcomings. The experience with open co-ordination, as a relatively new policy instrument that is still under development, can lead to some necessary procedural and political action. It is clear that both science and politics play a role in the further development of Social Europe. But in order to create an effective and legitimate process, there is a need to clarify the rules of the game for the different players.

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