

Concluding remarks: New method or just cheap talk?

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Some years after its formal launch, the open method of co-ordination (OMC) continues to pose more questions than it seems to answer. Conceived politically as a fresh mode of dealing with old political issues in the European Union (EU) (Scott and Trubek 2002; Armstrong 2003; Ekengren 2002), the truth is that the OMC is still surrounded by much uncertainty; uncertainty as to what extent the open method might provide effective solutions to thorny co-ordination problems without further transfer of powers to Brussels; uncertainty as to how far the OMC might introduce novel mechanisms of deliberative and participatory democracy in the complex machinery of EU/member state political processes; and, all in all, uncertainty as to how far the OMC will succeed in managing diversity.

The articles in this special issue bear witness to this. Taken collectively, their message is that the OMC introduces interesting novelties in the ways of understanding and carrying out EU policy and politics, but that these novelties are only able to make a change if some specific conditions are fulfilled. The absence of some of these political conditions has been behind the critical remarks of most authors and the normative lessons arising from their studies. So far, the OMC is able to generate optimism among scholars. But, as time goes by, more and more of this optimism is turning out to be conditional.

This article aims to go back over the important questions raised in this special issue, and to provide some concluding (but not conclusive) remarks in the light of the evidence and the studies of the previous articles. In particular, we examine the nature of the OMC in relation to its large diversity across policy areas; we again take up the issue of effectiveness and compliance in the absence of sanctions, and discuss whether it is possible that the OMC will move away from bureaucratic management towards a new implementation of democratic values outside the classical democratic representation channels. Last but not least, we discuss the question of the limits to the use of the OMC.

WHAT IS THE OPEN METHOD OF CO-ORDINATION?

The suggestive title 'open method of co-ordination' which the Portuguese Presidency gave to a group of procedures envisaged at Maastricht, Amsterdam and Lisbon has so far been one of the most successful political stunts in the EU in recent times: it has gained significant attention from the media, EU scholars and political circles. Yet, when looking at the actual use of this method in day-to-day policy-making, the picture is somehow blurred. There seem to be as many types of OMCs as there are policy areas, indicating a degree of variation which has not been properly spelled out. In their article, Borrás and Jacobsson (2004) presented the features of different modes of OMC. But, after examining different cases in this special issue, what does this description tell us?

Figure 1 places the different policy areas examined in this special issue on a continuum, illustrating the diversity of OMC modes. The continuum between 'strong' and 'weak' seeks to capture the differences across policy areas following three criteria. The first criterion is the degree of determinacy of the common guidelines. All policy areas combine qualitative and quantitative guidelines; however, there are large differences across policy areas as to how precise and demanding these are. The stronger the OMC mode is, the higher the degree of determinacy. A second and important criterion, to define the 'strength' of the mode of OMC, is the possibility of sanctions. Here the mode of OMC used in economic and monetary union (EMU) is by far the strongest among all other policy areas, since the multilateral surveillance mechanism can eventually be linked to economic sanctions directed towards non-complying euro-zone member states. This is totally non-existent in other OMC areas. A third and final criterion is the degree of clarity regarding the roles of different actors envisaged by the procedure, in particular in the peer review step of the process. Rightly so, the Lisbon conclusions enumerated the elements of the OMC procedure. However, the document is written in rather general, vague terms given its political nature, and it does not provide all-encompassing and clear-cut mechanisms. Therefore, in the absence of juridical predetermined procedures (as the Community method in the convention for pillar 1 areas in the Treaty), the new method has unfolded in different ways, with different results as to the clarity of institutional actors' roles.

Part of the explanation for this variety in the three criteria can be related to the time the OMC has been at work in the different areas, and to member state willingness to hand over co-ordinating roles to one another and to the



Figure 1 Diversity of the OMC

EU. The specific developments of the OMC, in its guideline determinacy, the possibility of sanctions and procedural clarity, can be attributed to the problems of influencing national policy development(s) formally outside the scope of EU competences. However, it is still far from certain whether this co-ordination might be a predecessor of hard law. In any case, the OMC might prove useful when the EU enlargement to twenty-five members makes conventional political management difficult.

In relation to employment policy, the Commission has recently suggested further efforts to streamline national actions in order to increase efficiency, improve coherence, and achieve wider commitment. In particular, the issues of transparency and ownership in the implementation of national action plans have been underlined (COM (2002) 487 final). Furthermore, the Commission argues in favour of integrating various national plans horizontally (Broad Economic Policy Guidelines, National Action Plans on employment, the internal market). If followed, will such suggestions have an impact on the modes of the OMC in terms of guidelines and the actor's role? Will those efforts to co-ordinate better OMC objectives across policy areas have an impact on the overall political intentions of the OMC?

THE IMPACT OF THE OMC

Academic discussions about the impact of the OMC will presumably continue for a long time. This not only reflects the diverse theoretical understandings in the social sciences about the possibility of changing social behaviour in the absence of sanctions, about the logics guiding individual behaviour, and about the nature of social institutions (Aspinwall and Schneider 2001; Héritier 2003), but also reflects the more mundane aspect of methodology. Similar theoretical paradigms might provide different empirical findings, given that analytical frameworks are still under rapid construction and testing. Does the OMC have an impact because more countries ascribe to common cognitive frameworks, using the same concepts and producing reports on the same issue? And, even when doing so, is this then because of the OMC alone, or because of other parallel processes, or the need for changes in national policy contexts? In other words, how can we discern between OMC and non-OMC effects?

An example will illustrate the argument. How, methodologically, can one show that the slight increase in employment rates in a few European countries (but not in others) has anything to do with the guidelines in the OMC on labour market policy, and cannot merely be attributed to the general economic development trends in those countries? Only after having been through different economic cycles would a comparative study be able to indicate whether we are witnessing any real change because of the new EU guidelines. Even the Commission, when trying to provide examples of the impact of the various types of OMC, has difficulty in finding concrete ones, which can be attributed solely to the learning effect and peer review built into the OMC process. Discerning the specific contributions of the OMC is a matter which

it is difficult to grapple. The authors contributing to this special issue have also been confronted by this, in particular Hodson (2004), and Kaiser and Prange (2004). In the case of the multilevel surveillance mechanism of the EMU, the clarity (and relative 'hardness') of the OMC process, together with the particularities of fiscal policy-making, were behind the relative success in correcting the Portuguese excessive budget deficit of 2002. Such straightforward findings are not available in relation to the OMC implementation in research and innovation policy. Kaiser and Prange find that the relative vagueness of OMC procedures and guidelines has little impact on vertical co-ordination in the crucial multilevel governance dimension of this policy area.

By focusing on policy outputs more than on inputs, the OMC aims to induce member states to align their policies along the general political ambitions for EU development, rather than establish the precise mechanisms for achieving 'closed' goals. This output focus liberates the EU level from the typical skirmishes when deciding the nitty-gritty of policy-making. In other words, it liberates the EU level from the devil of detail. As Atkinson has put it: 'the aim of the EU indicators is to measure social outcomes, not the means by which they are achieved' (Atkinson 2002: 5). The relatively large latitude at the national level in defining the precise management goals and instruments pursuing the goals is particularly interesting for welfare-related areas, where the large diversity of welfare state models has for long rendered the input focus of the classic Community method through binding law almost intractable.

To put it another way 'national welfare states remain the primary institutions of European social policy, but they do so in the context of an increasingly constraining multi-tiered polity' (Leibfried and Pierson 2000: 268). This also reflects that a possible reason for the wish to use the OMC is that 'this might help the European Social Model to survive' and that 'the commonality of it will remain in its value basis and policy objectives, and not in its provision and welfare state systems' (Berghman and Begg 2002: 193).

This relates to another matter, namely, the strengths and weaknesses of the OMC. As Arrowsmith *et al.* (2004: 323) have indicated in their article, benchmarking, and the OMC at large, have 'emerged as one of the most important problem-solving tools for the EU in recent years'. These authors point to two main weaknesses of the method, namely, as indicated above, that it does not solve the difficulties associated with hard law (particularly in the welfare-related policies), and that there are still unclear signs about its impact on state behaviour. Furthermore, it is possible to identify a third inherent weakness of the OMC, what we might call the 'political appropriation' at national level combined with processes of scapegoating from the national to the EU level. This refers to the situation where countries complying with the criteria/guidelines/goals might not want to express overtly that changes have been induced by EU policy, but rather present them as their own policy. The EU is only mentioned and blamed when there are unpopular decisions to take (for example, welfare benefits retrenchments). This political phenomenon is not new in EU politics, but might be reinforced by the nature of the OMC.

But are those weaknesses truly weaknesses? The 'openness' of the OMC and its output focus is a novel approach in EU policy-making. It might even be seen as a step forward given the political unfeasibility of further power transfers and the consequent gridlock of the Community method in these borderline policy issues, so close to the core of state politics. Alleviating the OMC from the details of community law-making, and letting it concentrate on generic output goals is creating exactly the ambience and the political space that member states need. Hence, it could be expected that member states might comply only when the common guidelines are already within the scope of what the individual country would like to do. The vague and flexible collective goals give ample room for interpretation and compliance (even if asymmetrical), and *therefore* make political action more practicable. This is why the weaknesses of the OMC might turn out to be its strengths; and why the OMC might prove to be resilient over time.

BUREAUCRATIC MANAGEMENT OR NEW DEMOCRATIZATION?

One of the topics concerning the OMC which has received increasing attention has been whether it is a new way of ensuring the involvement of more actors in EU decision-making or just a bureaucratic device. The democratic capacity of the method arises at a time when the technocratic legitimacy of the EU, based on effective policies, has been on the wane since the early 1990s. The Portuguese Presidency was aware of this. Therefore, the conclusions of the Lisbon summit insist on participation and transparency in the decision and implementation of the OMC as means of achieving democratic legitimacy. But has this been attained?

Arguably, the OMC has still to fulfil its democratic promises. This has to do with two issues, namely, the complexity of the matters at stake, and the uneven participatory involvement of social actors. Starting with the first issue, the OMC shows signs of bureaucratic management because it expands to a large number of policy sub-areas, and involves so many national and EU reports which summarize and analyse trends, that it becomes opaque to lay people. The more it grows, the less people will be able to read, understand and digest what is happening in the OMC process. Opaqueness is mainly due to the immense amount of documentation available. This has been pointed out by Caroline de la Porte and Patrizia Nanz (2004) in this special issue, in relation to the areas of pensions and employment. Their view is that transparency aspirations, in terms of the accessibility and understandable quality of documentation, are still inadequate. This implies that the OMC runs the risk of becoming a device for producing detailed national reports, more for the benefit of promoting national policies than to comply with EU strategic goals.

Part of this problem has to do with the complexity of the exercise, and with the fact that the OMC deals with overlapping policy areas. The whole set-up on social exclusion, for example, has many elements in common with the employment policies. Four out of the eighteen Laeken indicators on social

exclusion relate directly to employment. Recent requests to simplify the procedures can be seen as a response to the increased number of reports in the diverse areas involved in the OMC process.

As to the participatory levels in the OMC decision and implementation phases, it is generally perceived that no major democratic turnabouts have taken place. De la Porte and Nanz provide interesting data in this regard, where cross-national differences are notable. National path dependency may be clearly emerging here, since the social partners' involvement seems to be linked to those countries with a strong historical tradition for it.

All this might indicate that, rather than constituting a democratic watershed in EU politics, the OMC runs the risk of ending up in a sort of 'democratic legitimacy limbo', at the crossroads between the insufficient accomplishment of the deliberative and participatory democratic ideals, the virtual non-existence of democratic representation channels (by the European/national Parliament(s)), and the absence of output legitimacy owing to its indistinguishable results.

THE LIMITS AND POTENTIALS OF THE OMC

From what has been discussed above, the different modes of OMCs navigate in unknown political waters, waters that are full of pitfalls and risks. The nature of the OMC is such that it might be permanently on the fringes of failure, mainly because it relies heavily on steadfast and resolute political commitment, particularly when the guidelines are put into practice. If member states were to be blasé about implementation, the OMC would be an ephemeral fashion, nothing more than cheap talk.

Nevertheless, there have been some recent attempts to use this method in policy areas outside those listed in the Lisbon conclusions, such as in the case of immigration policy. Clear co-ordination problems related to the combination of regulatory competition and migration flow trends could have rendered this policy area a handbook example of OMC application in a context of high interdependence. Instead, its application has not moved beyond the stage of the Commission's proposal. As Alexander Caviedes (2004) has put it, immigration policy is an area where extreme political sensitivities about national sovereignty collide noisily with EU initiatives. It has not been possible to disentangle the entrenched identity, security and economic dimensions of this specific policy area, and the Commission has been unable to generate its classical repackaging manoeuvres (Wallace 1996). Immigration policy indicates that there are politically defined limits to the use of the OMC.

But what are the potentials of the OMC? What novelties might it be able to introduce despite all these questionable achievements, risks and limits? Above all, the OMC ushers in the growing transnationalization of EU politics and polity-building in its attempt to deal with an increased intra-EU diversity, both in a vertical dimension of multi-level governance and a horizontal dimension of higher socio-economic and cross-policy interdependency, as

Borrás and Jacobsson (2004) have stressed. The true novelty is the fact that the OMC is pushing the boundaries of our understanding of government–society–economy interactions by creating an entirely new method by combining half-used instruments in a novel fashion. This is why the OMC has the potential to give a new dimension to the EU's system of governance. The explicit efforts to generate a rapprochement of national policies in a flexible political space with procedures of a political (non-judicial) nature are its greatest novelty. Jens Henrik Haahr (2004) argues that the OMC is a good example of advanced liberal government, where the notion of individual freedom is conditioned by the techniques of government that shape the discourses. However, even if the success of the OMC in this regard is still unclear, its attempts to institutionalize new discourses, to generate new expectations, and to create new forums for actor interaction (Armstrong 2003) are expressions of a truly new understanding of governance in the EU.

And with this final remark, we would like to return to the fact that there are still many open questions and very few answers about the OMC, and, therefore, further theoretical, empirical and methodological efforts are needed relating to the different aspects examined by each of the articles in this special issue.

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