

---

# 7 Benchmarking social Europe a decade on: demystifying the OMC's learning tools\*

Bart Vanhercke<sup>1</sup>  
*European Social Observatory (www.ose.be)*

Peter Lelie<sup>2</sup>  
*Belgian Federal Public Service (FPS) Social Security*

## 7.1 Introduction: puzzle, scope and limitations

The 'Open Method of Coordination' (OMC) was formally launched by the Lisbon European Council in 2000 as a new regulatory instrument for the EU. It raised high hopes as a mechanism for coordinating (sensitively) domestic policies in a wide range of areas where the EU has limited or no formal authority. In the social field, the open method 'launched a mutual feedback process of planning, examination, comparison and adjustment of the social policies of Member States, and all of this on the basis of common objectives' (Vandenbroucke 2001, p. 2). In other words, in terms of governance, the open method of co-ordination is a 'soft' tool: there is in

---

\* The authors wish to thank the participants of the Joint Roundtable of the Forum of Federations and the Productivity Commission on 'Benchmarking in Federal Systems: Australian and International Experiences' held in Melbourne, 19-21 October 2010, for their perceptive suggestions. Special thanks go to Alan Fenna, Felix Knüpling for their constructively-critical comments; to Borja Arrue Astrain, Eva Zemandl and Cécile Barbier for their invaluable contribution to section 7.2, The institutional setup and the EU's 'rules of engagement'; and to Susanna Gürocak and Marie-Andrée Roy for their detailed suggestions. The views in this chapter are the sole responsibility of the authors. Address for correspondence: vanhercke@ose.be.

<sup>1</sup> Bart Vanhercke is Co-Director of the European Social Observatory (OSE) as well as associate academic staff at the Centre for Sociological Research (CESO), the University of Leuven. He is former European advisor to the Belgian Minister of Social Affairs.

<sup>2</sup> Peter Lelie is an adviser in the Belgian Federal Public Service (FPS) Social Security. From 2006 until 2010 he worked as a policy officer (seconded national expert) in the European Commission in support of the Social Open Method of Coordination. This chapter reflects the views of the author and these are not necessarily those of the FPS.

---

principle no ‘hard’ legislation involved, but rather ‘governance by persuasion’ (Streeck, 1996, p. 80) or ‘governance by objectives’. Precisely this (in our view misunderstood) ‘softness’ of the process led to an increasingly sceptical attitude of scholars and politicians towards the OMC: it is often seen as a weak instrument and its flaws supposedly contributed to the failure of the Lisbon Strategy.

Against such a background, it came as a surprise to quite a few observers that the Social Affairs Ministers of the Member States of the EU boldly declared, in June 2011, that the Open Method of Coordination for Social Protection and Social Inclusion (Social OMC) had proved a flexible, successful and effective instrument and that it would be reinvigorated (read: relaunched) in the context of the new Europe 2020 Strategy (Council of the EU 2011). The political objectives of the Social OMC (Council of the EU 2006) were reconfirmed: the method will continue aiming at a decisive impact on the eradication of poverty and social exclusion; the promotion of adequate and sustainable pensions; and the organisation of accessible, high-quality and sustainable healthcare and long-term care in the Member States. So Ministers confirmed the wide scope of the Social OMC: it will continue to cover not only social inclusion, but equally pensions, and health and long term care.

This chapter tries to explain the political relaunch of the OMC. It argues that while Member States recognise some of the evident flaws of the OMC process, after some initial hesitation and based on first experiences under the Europe 2020 Strategy, a majority of them decided they could not afford to lose it. To be more precise: a rather broad coalition of Member States felt that in the absence of the Social OMC’s contribution in terms of analysis and consensus framing capacity, the Social Affairs Ministers would be deprived of the necessary tools to counterbalance the one-sided focus on social protection as a cost factor in the EU’s discourse throughout 2010 and 2011. The latter was indeed striking in the first policy documents that were produced under the new strategy. In the Commission’s first Annual Growth Survey, for instance, it seemed as though pensions and health care were regarded merely as a burden on government budgets and reforms intended to ‘balance the books’ (CEC 2010a, p. 6). As importantly, social policy was narrowed down to policy against poverty and social exclusion in the setup of the new strategy. In this light, we analyse exactly *what value-added* the Social OMC has had as a ‘benchmarking’ tool so that Member States wanted to continue the process, faced as they were with a European Commission that — to put it mildly — was not insisting on continuing a strong Social OMC. By providing a description of what OMC benchmarking looks like in practice, we also supply a corrective to much of the existing literature on the topic, which is too often based on out-dated and incomplete assumptions about the OMC’s learning tools.

---

The aim of this chapter is to provide a picture of a range of benchmarking tools and the way a variety of EU and domestic actors are involved in them. For reasons of space, we do not provide a detailed discussion of the development of these tools (for example, indicator development). The chapter also focuses largely on the EU-level and it only considers one possible explanation for the OMC's recent re-launch: its capacity to counterbalance a one-sided Europe 2020 Strategy through its benchmarking potential. We thereby omit other possible explanations, including the interest of some actors to promote 'soft' governance with a view to avoiding more stringent EU involvement in social policy.

## 7.2 Setting the scene: from an unidentified political object to the OMC

The European Union was once described as an 'Unidentified Political Object' by former European Commission president Jacques Delors.<sup>3</sup> The fact is that it is a highly original political and economic entity, different from any other historical experiences and existing federal systems. This section tries to understand the main features of this object and thereby provides the context for a description of the emergence and further development of the (Social) OMC.

### The institutional setup and the EU's 'rules of engagement'

The European Union is a supranational entity composed of now 27 independent Member States. It is often conflated with a federal state system, but two key factors distinguish it: it is merely an 'emergent' federation; and its powers depend entirely on the willingness of Member States to concede sovereignty in policy areas more traditionally held by the nation-state (Fenna, this volume; Majone 2006; Laursen 2011). With each successive treaty, the European Union undergoes steady *communitarisation* ('supranationalisation'), increasing its competence and involvement in more policy areas. The European Union is, therefore, a rapidly changing institutional arrangement that poses a challenge for characterisation.

Currently, there are two essential treaties constituting the primary legislation of the EU: (1) the *Treaty on European Union* (TEU), laying out the institutional architecture and the general principles of the Union; and (2) the extensive *Treaty on the Functioning of the European Union* (TFEU 2010), which specifies its competences and function. The combination of these treaties is more commonly

---

<sup>3</sup> Jacques Delors coined this famous expression on the 9th of September 1985 in his inaugural speech to the Intergovernmental Conference of Luxembourg (Bulletin EC no. 9, 1985, p. 8).

---

referred to as the ‘Lisbon Treaty’, which came into force in December 2009. Although it has reinforced its competences, the Union remains much weaker than the central governments of traditional federal states. It is ‘more than an international organisation or confederation of states, without having become a federal entity’ (Börzel, 2003, p. 2).

*Institutional framework: formal and informal ‘rules of engagement’*

The main institutions of the European Union — which to some extent reflect the separation of powers common to modern democracies — are the European Commission; the European Parliament; the European Council; the Council of the European Union; and the European Court of Justice. As for the European Central Bank, it plays an essential role since it has the full control over the Euro monetary policy.

The **European Commission** is often referred to as the ‘guardian of the treaties’. It is the main policymaking institution with the exclusive right of legislative initiative and stands for the observance of European law. It is the equivalent of the executive power, the symbol of the ‘supranationalisation’ of competences, and it also activates the legislative procedure and monitors implementation of EU legislation. The **European Parliament** (representing citizens) and the **Council of the European Union** (representing the Member States) are the co-legislative bodies. The former’s powers have been significantly reinforced under successive treaties; now, its agreement is necessary for the adoption of most European legislation.

Intergovernmental relations are formalised, first of all, in the context of the **European Council**, which consists of regular meetings between the heads of state or government that are chaired by the new ‘EU president’; its purpose is to establish general orientations on the future of the European Union. The **Council of the European Union** consists of different sectorial formations, which are composed of the relevant national Ministers. Thus, the Ministers for Economy and Finance meet in the so-called ECOFIN Council formation, and their colleagues responsible for employment, social policy, health and consumer Affairs in the ‘EPSCO’ formation. The discussions in the Council on some topics are typically prepared by EU committees — such as the Economic Policy Committee (which reports to the ECOFIN Council), or the Social Protection Committee (SPC, which supports discussions in the EPSCO Council).<sup>4</sup>

---

<sup>4</sup> The Social Protection Committee (SPC) is a Treaty-based committee that supports the EPSCO Council of Ministers, next to the Employment Committee. It was set up in 2000 and is formally based on Article 160 TFEU. The SPC is composed of officials from each Member State (mainly

---

### *Subsidiarity and semi-sovereign welfare states*

The EU lies somewhere between a federal system and an international organisation, with the Member States retaining their competence over many sensitive policies, such as military and defence, education and social welfare. They continue to manage all the policies that have not been expressly transferred to the European Union. In addition, while they are legally constrained in many areas by the European regulations, the Member States have the necessary financial and political instruments to implement their own policies independently. The Union relies on national support to legislate,<sup>5</sup> even in the fields that are part of its ‘exclusive competences’ (Börzel 2003, p. 3).

The principle of ‘subsidiarity’ — which establishes that the Union should not exercise any responsibilities that are already satisfactorily fulfilled by the constituent units — has become one of the most important in the Union, and it ‘explicitly discourage[s] the expansion of the European Union into certain new areas’ (Moravcsik 2001, p. 172). This principle is complemented by the principle of ‘proportionality’ which seeks to set actions taken by the institutions of the Union within specified bounds (that is, the involvement of the institutions must be limited to what is necessary to achieve the objectives of the Treaties).

Title X of the *Treaty on the Functioning of the EU* provides the legal framework for the European Union’s competence in social policy, which is at the heart of the current chapter. Article 153 specifies the objectives to be achieved in this area by the ‘cooperation between Member States ... excluding any harmonisation of [their] laws and regulations’. In fact, the European institutions may produce social legislation but only to adopt ‘minimum requirements for gradual implementation.’ Moreover, the unanimity of the Council is required in order to legislate over some of the issues set out in the article.

In spite of these constraints, the European Union has an increasing impact on the social policies of its Member States through a variety of instruments that will be discussed in the next section. The result of such EU involvement is that Member States are at most semi-sovereign with regard to the development of their welfare systems (Leibfried and Pierson 1995). This finding has become even more evident in the course of 2011, when EU pressure on the national reform process increased considerably through strengthened fiscal surveillance under the Stability and

---

from the national Employment and Social Affairs Ministries) and from the Commission. It has a leading role in the Social OMC.

<sup>5</sup> The ordinary legislative procedure (formerly ‘codecision procedure’) is the most usual legislative procedure in the European Union. It requires the approval of both the European Parliament and the Council of the European Union.

---

Growth Pact as well as the Euro Plus Pact (with its focus on sustainability of pensions, health care and social benefits).

### *The EU's toolbox in social policy*

Broadly speaking, the European Union currently has four instruments at its disposal to produce an action in the social field directed towards the Member States: classic European law (directives and regulations); European social dialogue (both at the inter-professional and sectoral level); financial instruments (in particular the European Social Fund, ESF); and cooperation, including (in its strongest form) the Open Method of Coordination. These instruments are different in nature, because of their distinct historical origins. Some date from the beginning of the EU (classic European law and the ESF), other from the 1990s (collective agreements and OMC). They also differ in their legal scope. Some are binding (classical law and collective agreements) while others are inciting (OMC and ESF); some are distributive (ESF), while others are regulatory (the other three). They also differ in terms of the actor-networks that are connected to them, both officially and in practice.

As far as **EU legislation** in the field of social protection and social inclusion is concerned, the possibilities for the European Union to take action are severely constrained by institutional (see the section on *Subsidiarity and semi-sovereign welfare states*) and political hurdles. Member States and EU institutions have not been willing or able — on account of national interests, political sensitivities and the huge diversity of social protection and social inclusion systems — to legislate in these areas. The EU's legal competencies in this domain therefore constitute an unfulfilled potential. This said, the absence of 'pure' EU social security or social inclusion legislation does not mean that there is no process of 'positive integration' in these fields. Indeed, other dimensions of European integration have an indirect impact on social security and social inclusion policies, but these norms have other and prevailing objectives. One thinks first of rules of coordination of social security schemes, directives on gender equality, the fact that principles of free movement have been applied to healthcare services and the existence of legally binding acts at a procedural level' (for a more detailed account, see Reyniers *et al.* 2010). Secondly, there is the **European social dialogue**. Following the Maastricht Treaty, the *European interprofessional social dialogue* takes place between representatives of European social partners. Over the years several framework agreements have been negotiated and transposed into directives, on parental leave and temporary work for example. Other 'autonomous' framework agreements (for example, telework) are meant to be implemented by the social partners following their own national procedures. The European *sectoral social dialogue* received a major boost

---

in 1998 with the creation of so-called European sectoral social dialogue committees, which between them have produced more than 500 joint texts, including framework agreements.<sup>6</sup>

Thirdly, Member States draw financial resources from the **EU's financial tools**. The main instruments are the European Regional Development Fund (ERDF); the Cohesion Fund; and, especially relevant in the context of this chapter, the European Social Fund (ESF). Starting as a retroactive instrument used by Member States to finance their vocational training programs in the 1950s and 1960s, the ESF evolved into a more pro-active instrument that supports a rather broad set of social (inclusion) and labour market policies. In the current EU governance setting, the ESF's principal objective is to provide financial support for actions taken within the framework of the European Employment Strategy.<sup>7</sup> While the impact of these financial instruments has been significant for the least developed regions and countries, their impact has also been noticeable in the most developed countries (Verschraegen *et al.* 2011).

The fourth and final EU instrument is **cooperation** between the Member States, which has been around for a long time. And yet, based on the perceived need to work together around common social policy challenges, advanced forms of cooperation aimed at *coordination* and *convergence* of domestic policies have emerged over the years: notably the open method of coordination. The OMC is an example of 'New Governance', which involves 'a shift in emphasis away from command-and-control in favour of 'regulatory' approaches, which are less rigid, less prescriptive, less committed to uniform approaches, and less hierarchical in nature'. The idea of new (or experimental, or soft) governance 'places considerable emphasis upon the accommodation and promotion of diversity, on the importance of provisionality and reversibility ... and on the goal of policy learning' (de Búrca and Scott 2006). We turn to the OMC in the next section.

## **OMC: Emergence, general features, variation and inflation**

### *Defining the elephant*

In March 2000, in Lisbon, the EU Heads of State and Government set 'a new strategic goal' for the Union: to become, within a decade, 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic

---

<sup>6</sup> See <http://www.etui.org/Topics/Social-dialogue-collective-bargaining/Social-dialogue>.

<sup>7</sup> The ESF regulation of 1999 stipulates that the Fund should support policy measures of the Member States that are in line with the EES (EP and Council of the EU, 1999).

---

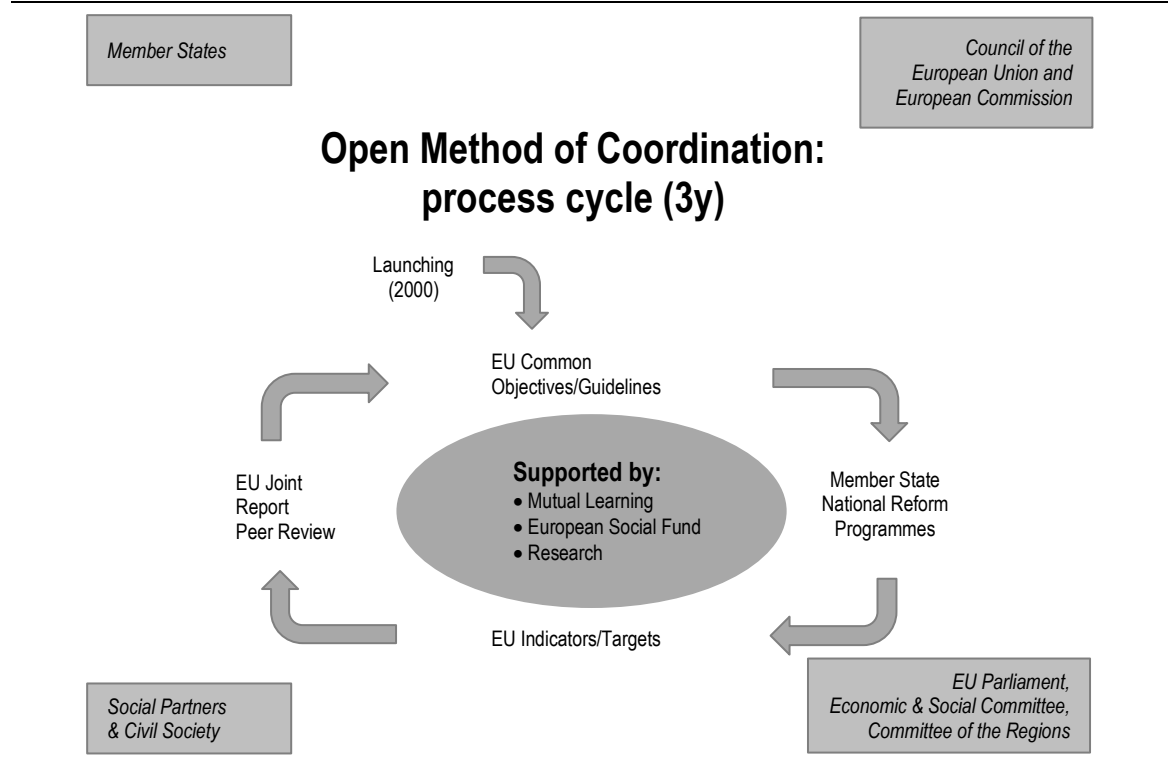
growth with more and better jobs and greater social cohesion’ (European Council 2000, para. 5). This strategy was to be implemented by improving the existing processes, ‘introducing a new open method of coordination’ (European Council 2000, para. 7).

What is this method, then? Since there is no legal definition of the OMC in the Treaty or other binding texts, reference needs to be made to the Presidency Conclusions of this Lisbon Summit. This text refers to the OMC as ‘the means of spreading best practice and achieving greater convergence towards the main EU goals’. Still according to the same source, this involves: fixing *guidelines* (with specific timetables); establishing quantitative and qualitative *indicators* and *benchmarks* (against the best in the world), national and regional *targets*; and periodic *monitoring, evaluation* and *peer review* organised as *mutual learning processes* (European Council 2000, para. 37). Ultimately, the purpose is that Member States learn from one another, and thereby *improve domestic policies*. Conceptually, the OMC finds its roots in the Broad Economic Policy Guidelines which were introduced by the Treaty of Maastricht (1992) and involved non-binding recommendations to monitor the consistency of national economic policies with those of the European Monetary Union. Other examples of OMC *avant la lettre* (that is, before the Lisbon European Council labelled the policy instrument as such) include the European Employment Strategy (the ‘Luxembourg process’); the Cardiff Process for structural economic reforms; the Bologna Process for cooperation in European higher education; and the code of conduct against harmful tax competition (Zeitlin 2005, p. 20).

Figure 7.1 highlights the different ‘components of what an ‘ideal’ OMC looked like in the past decade. The arrows make clear that OMC is a cyclical process (typically three years) where mutually agreed Common Objectives (political priorities) are defined, after which peer review (discussion among equals) takes place between the Member States on the basis of national reports (called National Strategic Reports, National Reform Programmes, etc.). Soft ‘recommendations’ (issued by the Commission and the Council) and comparable and commonly agreed indicators (and sometimes quantified targets) enable to assess progress towards the Objectives.



Figure 7.1 **OMC Cycle under the Lisbon strategy (2000–2010)**



### *After Lisbon: proliferation*

The 2000 Lisbon Council Conclusions stipulated the introduction of the OMC ‘at all levels’ (European Council 2000, para. 7), and explicitly referred to the use of the OMC with regard to social exclusion, information society/e-Europe (para. 8), innovation and research and development (para. 13). Furthermore, even though the term ‘OMC’ was not explicitly mentioned with regard to social protection (pensions more particularly), enterprise promotion, economic reform and education and training, the wording of the Lisbon Council Conclusions was such that it gave, *de facto*, authorisation to launch or at least strong political backup to continue open co-ordination in a host of policy areas. As a result, the OMC is now up and running in more than 10 policy areas.

This proliferation of soft law tools did not really come as a great surprise. In view of the enlargement of the EU in 2004 and 2007, with further enlargements in preparation,<sup>8</sup> very few EU initiatives are taken with a view to finding agreement on EU social legislation, and it seems highly unlikely that legislation in the social sphere will increase substantially in the next few years. Therefore some predicted, at the turn of the century, that ‘policy co-ordination and benchmarking [would be] a

<sup>8</sup> For example towards the Balkan countries.

---

typical mode in future EU policy-making, as an alternative to the formal reassignment of policy powers from national to EU level' (Wallace and Wallace 2001, p. 33). Indeed, for a number of politically sensitive areas (where no unanimity could be found on EU legislative initiatives), decision makers agreed that 'doing nothing' at EU level is not an option either — if only because EU Member States are faced with a number of common challenges. Such is, for example, the case for social inclusion, pensions and health and long term care, where the OMC is providing a Europe-wide approach. The next section discusses how this approach has been developed in practice over the past decade.

### **7.3 Benchmarking within the Social Open Method of Coordination (2000–2010): how did it really work?**

For many authors 'policy learning' and 'benchmarking' are some of the core features, or even the *raison d'être*, of the European process. In this light it seems all the more striking that oftentimes students of the OMC remain rather vague about *what they are actually talking about*, when they make claims about the success or failure of 'benchmarking' in this context. This section fills that gap in our understanding by describing *how benchmarking is actually done* in the Open Method of Coordination on Social Protection and Social Inclusion (Social OMC), mainly illustrating the process with reference to the social inclusion strand.<sup>9</sup> The focus is essentially on the post-2005 and pre-2011 Social OMC. Before 2005 three separate social OMC's co-existed: one on Social Inclusion (2000); one on Pensions (2002); and one on Health and Long Term Care (2004). In 2006, the Open Method of Coordination on Social Protection and Social Inclusion was established, regrouping and integrating the three processes. While the Social OMC is to continue under the Europe 2020 strategy, it is already clear that there will be important changes. We will briefly comment on these in section 7.4.

The Member States and the European Commission engage in what Alan Fenna (this volume) calls 'collegial benchmarking'. They do so through the following six steps:

- Agreeing on the framework (the mandate) — the Common Objectives
- Selecting key issues in a multidimensional policy domain

---

<sup>9</sup> In fact the Social OMC is embedded in a broader setting where several similar processes are ongoing that can be labelled as 'social' and that have close links with the Social OMC: these include the employment, anti-discrimination and gender equality processes. Social benchmarking also takes place in the context of the structural funds (for example, the European Social Fund).

- 
- Building the knowledge base — defining the issues and developing common indicators for quantitative benchmarking
  - Supporting the process through non-governmental expert and EU (civil society) stakeholder networks
  - Engaging in the benchmarking process — (different types of) peer reviews and OMC ‘projects’
  - Drawing conclusions — joint reports on social protection and social inclusion and Commission ‘recommendations’ (lessons learned).

We discuss these steps in turn and will argue that all need to be considered together if one wants to understand the ‘learning potential’ and the impact of this process.

### **Agreeing on the framework (the mandate): common objectives**

The starting point of benchmarking in the context of the Social OMC is the acceptance by the Member States of a set of ‘common objectives’. These provide the mandate, and thereby define the framework for the exercise. In total four subsets of common objectives have been defined: there are so-called *overarching* objectives, and one set for each of the three strands of the Social OMC: social inclusion, pensions, and health and long term care (Council of the EU 2006). The objectives concern social protection and inclusion *outcomes* as well as the way in which social protection and inclusion policy is developed: principles of *good governance*.

Because the common objectives are meant to be fairly constant over time and agreed-to unanimously (see the section on *Subsidiarity and semi-sovereign welfare states*) between governments from all Member States from across the political spectrum, they are quite general in nature. This aspect has been heavily criticised by some, while others (for example, Greer and Vanhercke 2010) have pointed out the fact that it is precisely because of the ‘general’ or ‘vague’ nature of the objectives that they can be the starting point for what can be dubbed a European ‘consensus framing exercise’. A major value-added of the objectives is that they structure the policy field in such a way that a balanced policy approach to the different strands is promoted and has become widely accepted among EU and domestic policymakers alike. For example, good health care presupposes *accessible* and *financially sustainable* health care systems providing *high levels of quality*.

---

## Selecting key issues in a multidimensional policy domain

‘Social protection and social inclusion policy’ has been defined, from the outset, as a broad multidimensional policy domain. Thus many issues and policies are potentially relevant with a view to a benchmarking exercise. The first priority has therefore been to work on a consensus regarding the main challenges. As far as social inclusion is concerned, Member States have singled out key issues such as: how to bring about the social inclusion of people on active age far from the labour market (active inclusion); how to tackle child poverty; and how to fight housing exclusion and homelessness. As far as pensions are concerned, one of the key issues is how to ensure both adequacy and financial sustainability of pension systems in the long run. In the area of health there has been a focus on tackling health inequalities. As the awareness of the so-called implementation gap (the perceived lack of results of the Social OMC) grew, attempts have been made to increasingly focus the process on specific issues, especially so in the area of social inclusion. Benchmarking will indeed be most effective if it is concentrated on a limited number of priority issues.

## Building the knowledge base: defining the issues and developing common indicators

Once an agreement on common objectives and priority issues has been reached, the knowledge base needs to be developed. Any credible benchmarking in this context will need to build on a consensus with regard to the *definition* of the social protection and inclusion challenges and with a reliable description of how they present themselves across the European Union. This implies the development of indicators or quantification. There is indeed some truth in the idea that if at EU level a policy challenge cannot be quantified it does not exist. Or, as the Open Society Institute famously put it: ‘no Data, no Progress’ (OSI 2010). So, to the extent possible, challenges and policy outcomes need to be quantified, even if reducing and simplifying disparate information into numbers (commensuration) involves some clear risks and the social process behind it should be acknowledged (Espeland and Stevens 1998). Hence, the development of commonly agreed indicators has always been at the heart of the Social OMC. The commonly agreed indicators are the yardsticks for measuring policy challenges and policy success and failure. Without them, the benchmarking exercise would be reduced to endless discussions about concepts, reliability of data, etc. The indicator set of the Social OMC has been developed by a dedicated working group: the Indicators Subgroup (ISG) of the Social Protection Committee (see the section on *Institutional framework: formal and informal ‘rules of engagement’*), in which all Member States and the Commission participate.

---

The Indicators Sub-Group proceeds on the basis of a set of methodological principles. These frame the quality criteria an indicator (and an indicator set) needs to comply with. In order to ensure international comparability, harmonised EU data sources such as EU-SILC<sup>10</sup> (previously ECHP) have been developed. The structure of the set follows the structure of the common objectives. As a result, there are four subsets: one overarching set and one set for each strand of the Social OMC (CEC 2009a). At the request of the European Commission, the Herman Deleeck Centre for Social Policy has developed a *Vade Mecum* of the Social OMC indicator set.<sup>11</sup> Data are available on the Eurostat website<sup>12</sup> and on the website of DG Employment, Social Affairs and Inclusion.<sup>13</sup>

The commonly agreed indicators have at times been criticised in academic circles for not being sufficiently sophisticated or innovative. This, however, somehow misses the point. The main value-added of the set is that Member States *have reached a consensus* on them. This is not self-evident in view of the different ways in which social protection and inclusion challenges and policies present themselves across the EU. Debates with regard to indicator development in the ISG have been characterised by a peculiar mixture of technical arguments and underlying political motives.

Over the years several developments have taken place that are of interest from the perspective of benchmarking and which we discuss in turn before briefly describing how the indicators are used for quantitative benchmarking.

### *Developing common indicators: key trends*

In the framework of the Social OMC, policy documents have often stressed the *multidimensional nature* of social protection and social inclusion. It has, however, not been possible to develop indicators covering all dimensions at once. The agreement on the original set of social inclusion indicators in 2001 (the Laeken indicators) was a major breakthrough, but it necessarily had to focus on the ‘low hanging fruit’: indicators for which an agreement was within reach and for which harmonised data sources were available. As a result, the social inclusion indicators

---

<sup>10</sup> EU SILC refers to the European Union Statistics on Income and Living Conditions. See: [http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu\\_silc](http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc).

<sup>11</sup> See: <http://www.ua.ac.be/main.aspx?c=.VADEMECUM&n=79891>.

<sup>12</sup> See: [http://epp.eurostat.ec.europa.eu/portal/page/portal/employment\\_social\\_policy\\_equality/omc\\_social\\_inclusion\\_and\\_social\\_protection](http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_social_policy_equality/omc_social_inclusion_and_social_protection).

<sup>13</sup> <http://ec.europa.eu/social/main.jsp?catId=756&langId=en> See related documents. The Commission website has been widely criticised (including by the SPC) for being insufficiently user friendly.

---

set has been criticised for being too income and labour market focussed. For a long time, dimensions like education, literacy, health and housing were indeed underdeveloped or invisible. Progressively and not without problems the set has been expanded in these other areas. Over the years it has become increasingly clear that international comparability is a big challenge.<sup>14</sup> Agreeing on new indicators takes time and an important lead time is needed to develop new harmonised data sources.

The development of the indicators has been influenced by the progressive *extension of EU Membership*. The original set of social inclusion indicators was developed in the context of the EU15 (2001). In 2004, ten new Member States joined the EU and two more countries followed in 2007. Needless to say that adding such a substantial number of countries characterised by varying levels of economic development and income inequality had an impact on the process. On a number of the indicators the EU average shifted markedly and some indicators and basic concepts had to be reconsidered. One evident example is the concept of poverty itself. In the original set of Laeken indicators, the headline indicator for measuring poverty was the relative at-risk-of-poverty rate. Since some of the new Member States were characterised by low income inequality they were among the best performers measured using this indicator, while their general standard of living (and the absolute level of the relative poverty threshold) was actually quite low. There was a lot of pressure to develop a more balanced picture of poverty that would show both its relative and absolute dimension. Consequently, in 2009 an agreement was reached on a material deprivation indicator, which reflects the share of persons who have living conditions severely constrained by a lack of resources.

Originally, the set of social inclusion indicators was exclusively *outcome oriented*. However, especially after the midterm review of the Lisbon strategy in 2005 and the discussion about the implementation gap, the SPC's Indicators Sub-Group progressively started working on input and output indicators so as to facilitate analysis of the links between policies and policy instruments and outcomes (which policies produce which outcomes?). This development has also been prompted by indicator development in the non-social inclusion strands, where there is a more natural focus on policy instruments (for example, pensions are policy tools). A 'national indicators' label was developed in cases where a *common definition* has been developed, but where harmonised data sources are missing and/or due to major institutional differences, cross country comparability is problematic.

---

<sup>14</sup> One example of the difficulty in producing internationally comparable indicators concerns subjective indicators, for example in health.

---

In order to increase political commitment and make the general objectives more concrete, the use of *national targets (or quantified objectives)* has been promoted from the start of the Social OMC. After the Barcelona European Council in 2002, pressure on the Member States increased. In its ‘guidance notes’ for National Strategy Reports on Social Protection and Social Inclusion (see below), the European Commission has stressed the importance of targets. Annexed to several of the guidance notes was a tool for developing targets. An increasing number of countries have effectively introduced such targets in their strategies. At the start of the Social OMC, the idea was to also produce EU level targets to drive the process but it has proved to be impossible to reach an agreement in this respect before 2010. We will briefly refer to the introduction of an EU-level target on poverty and social exclusion in 2010 in section 7.4.

*Indicators: genuine benchmarking in spite of sensitivities*

It is not so difficult to understand that Member States are particularly nervous about being ranked on indicators, but in a way, being scored on a balanced set of indicators like the Social OMC set, rather than on one single (eventually composite) indicator, increases the acceptability for the Member States. Although some Member States clearly are excellent performers on many indicators while others combine bad scores on many indicators, it helps that, in a multidimensional approach, rankings differ. Many Member States counterbalance bad performance on one indicator with good performance on others. Also, scores change over time and Member States may move up or down the ranking.

The set of indicators is continually updated and these updates of the indicators are also provided to the Member States ahead of any reporting exercise, so that they can compare their own performance with that of other Member States. Guidelines for a new round of national reports insist that the starting point for a new domestic strategy should be the assessment of progress on targets and the assessment of the social situation (there are considerable variations between Member States as to the extent in which they take on such an evidence based approach).

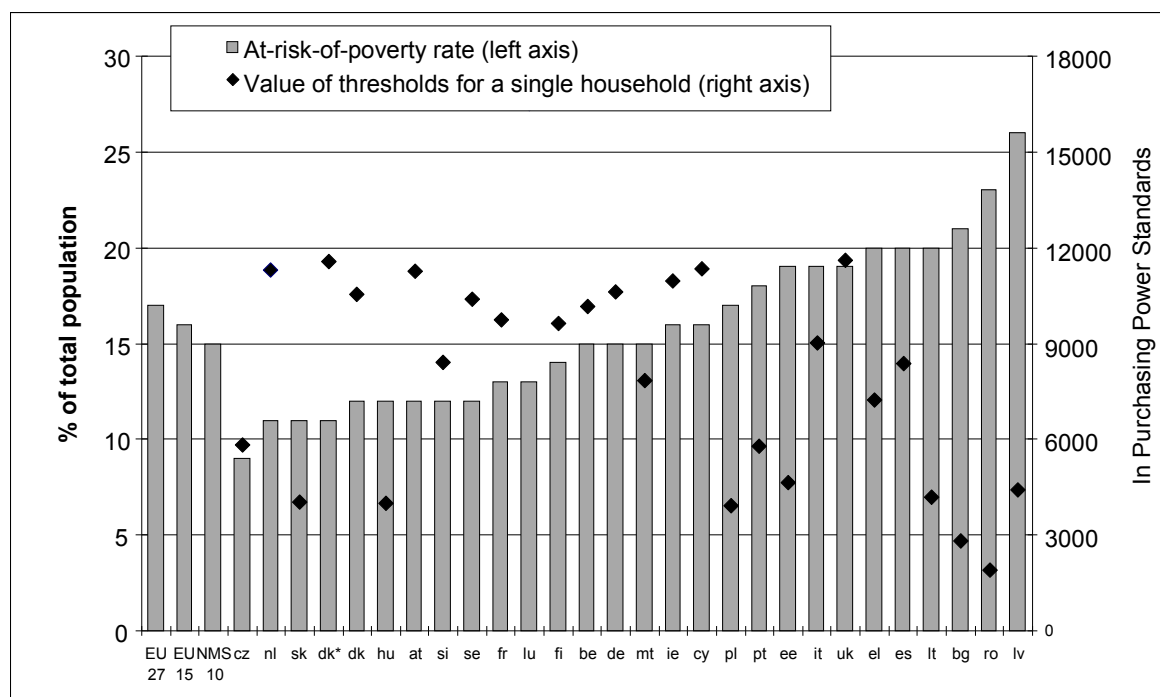
In spite of the sensitivities amongst (and the pressure from) the Member States, the European Commission has tried to make the best of its role of ‘independent arbiter’ in the benchmarking exercise. Thus, since the start of the Social OMC, Member States have been ranked on the basis of commonly agreed indicators in the annual joint reports, as can be seen from figure 7.2 below. These reports (which are discussed in section 7.3) always contain an analysis of the indicators.<sup>15</sup> The most

---

<sup>15</sup> See the ‘Social situation in the EU27’ section in the most recent Joint Report 2010 (CEC 2010d).

recent trends are described, Member States are compared on the different dimensions and causal factors that could explain trends are explored. In ‘full reporting’ years, the country fiches in Joint Reports (see further) also contain a statistical profile per country (selection of commonly agreed indicators). This statistical profile compares the Member States’ scores on some key indicators with the EU averages.<sup>16</sup> Benchmarking has also been a key feature of ad hoc reports produced by the Social Protection Committee, including the successive ‘Assessments of the social impact of the Crisis’ (see, for example, SPC and CEC 2010).

Figure 7.2 Example of graph showing ranking of member states (at-risk-of-poverty-rate) in the Joint Report on Social Protection and Social Inclusion 2010



Sources: CEC 2010d (Supporting document p. 24), data EU-SILC 2008.

Important progress in the use of indicators has been made at the occasion of the thematic reporting years. A key development was the child poverty report that was produced by an SPC-ISG task force on child poverty (SPC 2008). It provided an example of how far the analysis (benchmarking exercise) could be pushed using the common indicators. The child poverty report contained an explanatory analysis in that it not only showed a ranking of Member States regarding child poverty *outcomes*, it also examined main *causal factors*: joblessness, in work poverty and

<sup>16</sup> See: <http://ec.europa.eu/social/main.jsp?catId=757&langId=en>.



---

ineffective social transfers. A six level scale is used, ranging from ‘+++’ (countries with the best performance) to ‘- - -’ (countries with the worst performance).

Note that the foreword to the child poverty report, signed by the SPC Chairperson and the Commission Director-General for employment and social affairs, indicates that ‘Indicators have not been used to name and shame but to group countries according to the common challenges they face’. This is a clear sign that ranking countries, although part and parcel of the Social OMC, remains a sensitive issue.

In case Member States take a firm stand on figures that are to be published in highly visible political documents, the Commission will occasionally be flexible and allow them to have a footnote with a table or graph indicating concerns about reliability of data or pointing to certain particularities crucial for interpreting the data for a Member State.<sup>17</sup>

### **Supporting the process through non-governmental expert and EU (civil society) stakeholder networks**

The key actors participating in the Social OMC are the Member States (through the Council and its preparatory Committees) and the European Commission. However, benchmarking in the framework of the Social OMC is also supported by the involvement of two additional types of actors which tend to be overlooked by OMC critics in this context: independent, or rather non-governmental expert networks on the one hand; and civil society stakeholder networks on the other.

#### *Non-governmental expert networks*

Benchmarking needs an independent arbiter with sufficient expertise and authority (Fenna, this volume). This role is played by the European Commission. Specifically with regard to the social policy area, the Commission’s DG Employment, Social Affairs and Inclusion has country desks that follow up developments in a specific Member State and thematic units that cover a specific issue across all Member States (‘*vertical*’ and ‘*horizontal*’ units). Other DG’s of the European Commission are less frequently involved in the Social OMC.

---

<sup>17</sup> By way of illustration, Denmark insists that the at-risk-of-poverty rates should be calculated including imputed rent (income derived from home ownership). In the absence of imputed rent calculations for all Member States and in view of the lack of agreement on including imputed rent in standard at-risk-of-poverty calculations, two series of results are published for Denmark. In figure 7.2 above, dk\* refers to the figure including imputed rent.

---

In order to assist the Commission in its policy assessment work, a growing number of thematic EU non-governmental expert networks have been put in place. The experts in these networks can be considered as the Commission's 'eyes and ears' in the Member States. Members of the networks are to provide independent (that is, non-governmental) expertise. Specifically with regard to the Social OMC, two such networks are of prime importance: the Network of Independent Experts on Social Inclusion<sup>18</sup> and the ASISP network that covers social protection issues (pensions, health and long term care),<sup>19</sup> but others are also relevant.<sup>20</sup> Some of the analyses of these networks (especially assessments of Member States' reports) feed into the Commission's assessments while being kept confidential so as to increase the likelihood that the Commission will get a frank assessment. Other analyses are published. Although in some Networks Member States can comment on draft reports that will be published, it is not up to them to take decisions about their contents. The Commission sees the expert networks (which meet regularly) as partners, sets their agenda and regularly briefs them on new developments.

### *EU civil society stakeholder networks*

It has often been stressed in the literature that the OMC actually works through the involvement of non-governmental domestic stakeholders. The Common objectives have always requested that Member States involve relevant stakeholders at the national level throughout the policy cycle.

It has also been considered important that stakeholders participate in the Social OMC process at EU level. In order to give stakeholders a voice, core funding is being provided for EU stakeholder networks through PROGRESS (PROGRamme for Employment and Social Solidarity).<sup>21</sup> These networks are intended to bring stakeholders together at national level and to support and organise their engagement with the Social OMC process at national and EU level. They are expected to assess input provided by governments, and to participate in consultations and benchmarking activities. In 2010 the Commission was funding twelve such

---

<sup>18</sup> See: <http://www.peer-review-social-inclusion.eu/network-of-independent-experts>.

<sup>19</sup> ASISP refers to Analytical Support on the Socio-Economic Impact of Social Protection Reforms. See: <http://www.socialprotection.eu/index.html>.

<sup>20</sup> For example, the employment experts network SYSDem, see [http://www.eu-employment-observatory.net/en/about/abt03\\_01.htm](http://www.eu-employment-observatory.net/en/about/abt03_01.htm).

<sup>21</sup> The PROGRESS Programme is a financial instrument supporting the development and coordination of EU policy in the areas of employment, social inclusion and social protection, working conditions, anti-discrimination and gender equality.

---

networks<sup>22</sup> specifically under the social inclusion theme. These networks cover themes such as the social economy, homelessness, children-in-poverty, social services, financial inclusion, and social inclusion policy in local government.<sup>23</sup>

Like the non-governmental expert networks (see section 7.3, *Non-governmental expert networks*), the civil society networks are considered as partners in the Social OMC process by the Commission, which regularly organises meetings with them to exchange information. Many of these civil society networks have organised benchmarking exercises and developed scorecards of their own, consulting their members on what governments are actually doing with regard to specific issues. For example: the European Federation of National Organisations Working with the Homeless (FEANTSA) organised some ten ‘shadow’ peer reviews through consultation of its members (see box 7.1 below); Caritas Europa members scored civil society involvement in the 2006–08 national social protection and inclusion strategy design process against a series of indicators (Caritas Europa, 2007); The European Anti-Poverty Network (EAPN) recently produced a scoreboard containing their members’ assessment of Member States’ National Reform Programmes 2011.<sup>24</sup>

The role of the stakeholder networks is of key importance for the benchmarking exercise. Some of them are quite active in mobilising civil society as well as in lobbying the European Parliament (an institution otherwise only to a very limited extent reached by the OMC) and in linking up the EU process with other international (eg., UN or OECD) related processes. The Commission has actively been promoting the development of a ‘Social OMC community’, bringing together all these actors regularly in the context of conferences and seminars, but also in the context of Peer Reviews, to which we turn in the next section.

---

<sup>22</sup> The Commission has three yearly strategic framework contracts with the networks. They are funded by the PROGRESS programme to varying degrees (principle of co-financing), which range between very modest proportion of total funding for large organisations such as CARITAS, and very significant means for networks such as EAPN or FEANTSA.

<sup>23</sup> Other stakeholder networks are funded under other themes: e.g. anti-discrimination like European Network Against Racism and AGE Platform Europe (older persons). A number of the networks work together in the Social Platform of European Social NGOs. See: <http://www.socialplatform.org/>.

<sup>24</sup> See: <http://www.eapn.eu/images/stories/docs/NRPs/nrp-report-final-en.pdf> pp. 72–3.

---

**Box 7.1 FEANTSA's Shadow Peer Review on the UK Rough Sleepers Strategy**

The EU-level PROGRESS Peer Review on the Rough Sleepers Strategy (London, May 2004) inspired FEANTSA to carry out its own electronic 'shadow peer review' (2004) alongside the official EU Peer Review. The methods used in the FEANTSA peer review were similar to the EU Peer Review, although it involved far more countries. The network circulated a summary of the Rough Sleepers Strategy and an e-mail questionnaire to its Members (nongovernmental organizations), which are generally important actors in implementing any homeless strategy and have extensive experience of working closely with rough sleepers. They were asked for feedback and evaluation of (1) the aims and results of the strategy; (2) the transferability of the strategy in their different national contexts. The main findings of the review were published.<sup>25</sup>

## **Engaging in the benchmarking process: peer reviews and OMC projects**

Peer reviews of national policies are organised on the basis of input provided by the Member States. Two main types can be distinguished: those organised at the level of the Social Protection Committee ('SPC-peer reviews') and those in the context of the Progress Programme ('PROGRESS Peer Reviews'). Benchmarking is also at the heart of so-called OMC projects. We discuss each of these in turn.

### *Peer Reviews at the level of the Social Protection Committee*

These reviews are organised by the European Commission and the Social Protection Committee (typically) in Brussels on the basis of the reports that are periodically produced by the Member States in the framework of the Social OMC. Normally, after each reporting exercise an SPC peer review is organised. All Member States (SPC delegates) and the Commission participate, occasionally supported by some experts. Peer reviews at the SPC level are rather closed exercises in the sense that they are not open to other actors, such as stakeholder networks.

In the early years of the Social Inclusion OMC, Member States were required to draw up National Social Inclusion Plans (NAPIncls) every second year (full reporting year). In their plans the Member States set out how, given their particular circumstances and challenges, they intended to make progress in the direction of the common objectives. The plans were prepared on the basis of a guidance note agreed

---

<sup>25</sup> See: [http://www.feantsa.org/files/social\\_inclusion/Peer%20Review/EN\\_PeerReview.pdf](http://www.feantsa.org/files/social_inclusion/Peer%20Review/EN_PeerReview.pdf).

---

between the Commission and the Social Protection Committee. The guidance contained a common blueprint so that comparison and mutual learning are facilitated.

It is important to distinguish between two ‘waves’ of peer reviews. The ‘*early*’ *peer reviews* (organised before EU enlargement in 2004) on National Social Inclusion Plans, took place during plenary sessions (with all SPC delegations present, implying some 50 to 60 participants). They did not generate a lot of enthusiasm by participants, to put it mildly. In fact, a lot of the criticism in the literature about ‘OMC Peer Reviews’ seems to refer to this particular early type of reviews, which tended to lead to endless and frankly tedious meetings where the full National Social Inclusion Plans of all Member States were presented one after the other, with nearly no time for discussion.

Since 2005-06, the ‘streamlined’ Social OMC increasingly focused on key issues, allowing for more in depth discussions. In the full reporting years (2006 and 2008), Member States have been asked to present only their policies with regard to a limited number of strategic policy priorities in their National Strategy Reports on Social Protection and Social Inclusion.<sup>26</sup> In between full reporting years, reporting has been limited to one focus theme per strand (thematic years or light reporting years). For example, in the area of social inclusion there has been a thematic focus on child poverty (2007); on homelessness and housing exclusion (2009); and on the social impact of the financial and economic crisis (2010). There has also been a multi-annual focus on active inclusion (social inclusion of people of active age far from the labour market) over the years. In ‘thematic’ or ‘light’ reporting years, the Commission and the SPC draw up a thematic questionnaire and the review is done on the basis of Member States’ replies to the questionnaire as analysed by the Commission. The national replies to thematic questionnaires are (unlike the NSR’s) normally not published on the internet.

As a result, in more recent years the SPC peer reviews have become more focused with separate working groups on different themes (key topics) and have become known as ‘in depth reviews’. Some Member States introduce an issue while some others comment and ask questions. There is hardly any formal reporting but the Commission ensures that main results feed directly into the annual joint report (see section 7.3). For an illustration of such an in depth SPC review, see box 7.2.

---

<sup>26</sup> In the case of social inclusion, it is suggested that the NSR should cover at most four strategic priority policies. Member States are invited to include full strategies in an annex to their NSR. NSR’s are published on the Commission website.

---

**Box 7.2 In depth SPC review on child poverty**

On 3 October 2007 an in depth SPC review on child poverty took place. Policies were assessed in six working groups with four or five countries presenting and four or five countries discussing in each group (i.e. 9/10 countries participated in each working group). The working groups focused on: family resources, access to services, access to education, children in impoverished neighbourhoods, protection of children at special risk and early prevention with a focus on pre-schooling. All discussants could comment or ask questions after each presentation.

Note that while SPC peer reviews may be rather closed shops, this does not mean that the nongovernmental expert networks and the EU stakeholder networks (see section 7.3, *Supporting the process through non-governmental expert and EU (civil society) stakeholder networks*) are entirely absent from the benchmarking process. In fact, the nongovernmental expert networks support the Commission in its assessment of the national strategies and Member States' replies to thematic questionnaires. EU stakeholder networks such as EAPN, Feantsa or Caritas will produce their assessments of the national Social Protection and Social Inclusion Strategies soon after these have become available. In doing so, they attempt to influence the lessons drawn from the exercise (through the joint reports), focusing attention on their particular concerns. Assessments are widely published and sent to the Commission, Member States, the European Parliament and a wide audience of Social OMC participants.

### *Peer Reviews organized through the PROGRESS Program*

Each year, between eight and ten peer reviews about specific issues relevant for social protection and social inclusion are organised in the Member States (host countries) in the context of PROGRESS. Although the Commission suggests some priority issues (linked to the SPC work program) this does not constrain the Member States in the choice of topics. There is real ownership of the Programme by the Member States: they present themselves as candidate host countries, they can propose any subject that is of interest to them, and the decision on which proposals are accepted is based on preferences for participation expressed by the SPC delegates (proposals that receive most support are accepted).

Two modalities of PROGRESS peer reviews can be distinguished:

- *Good practice peer reviews* — in this case a Member State suggests one of its policies that has produced (exceptionally) good results and might possibly be transferred to other Member States. It invites other Member States, experts and

---

stakeholders to an in depth assessment of the policy and its potential transferability across the EU.

- *Policy problem or policy reform peer reviews* — in this case a Member State confronted with an ineffective policy and contemplating a policy reform invites other Member States, stakeholders and experts to study the problem and to suggest remedies, good practice examples. Academic scholars have referred to ‘learning ahead of failure’ in this context (Hemerijck and Visser 2001).

As the ‘way of doing things’ for both modalities of the PROGRESS peer reviews is largely the same, we discuss them together. The seminars are organised by a contractor that provides facilitators (chairing of sessions and reporting) and is responsible for the general management and the preparation of the seminar.<sup>27</sup> An independent thematic expert is recruited for putting the issue in a comparative EU context and for supporting the process. In a typical peer review on average seven or eight peer countries and two EU stakeholder networks participate. Peer country delegations consist of two people: an official from a ministry or local authority and a non-governmental expert who is selected by the peer country. Stakeholder networks are normally represented by one person. They can be selected from the social inclusion networks (see section 7.3, *Supporting the process through non-governmental expert and EU (civil society) stakeholder networks*), but other EU stakeholder representative organisations are also regularly invited (for example, EU social partner organisations). As a rule, the host country member of the relevant non-governmental expert network is invited to participate as this person can provide the much-needed critical input based on expert knowledge of the issues discussed and of the host country.

For these peer reviews, a specific methodology has been developed over the years. A standard peer review will take two days. Well before the seminar, a discussion paper is prepared by the thematic expert (describing the policy under review and putting it in international comparative perspective).<sup>28</sup> The paper will conclude with the key questions for discussion. Peer countries and stakeholder networks are invited to produce comment papers before the meeting so that all participants are in principle well informed before the meeting and the discussion can start at a higher level. The morning of the first day will be an *ex cathedra* introduction to the policy under review, followed by questions and answers. The afternoon will normally consist of a site visit (how is the policy implemented in practice) if relevant, or a more practical and interactive exchange between participants. The second day will be devoted to peer country and stakeholders contributions and to the drawing of

---

<sup>27</sup> The current contractor is ÖSB consulting.

<sup>28</sup> Often the host country also produces a host country paper.

---

lessons: discussion of pros and cons, room for improvement, transferability (if so, under what conditions?).

In order to facilitate a critical assessment the Commission insists that the host country should provide monitoring and evaluation data (this is sometimes a problem because many peer reviews are about pilot projects for which no evaluation data are available at the time of the peer review) and that local stakeholders (e.g. users of the services under review or people that are the subject of the policy) are present and can be questioned by participants. EU stakeholder networks will typically also ask their member in the host country to provide them with a critical analysis.

Between 30 and 40 people typically participate in a Progress peer review meeting. The limit on the number of participants aims at increasing the chances of in-depth discussion. Participation is by invitation only. In order to compensate for the closed setting, a lot of effort goes into the reporting of the discussions. A very rich website is available that contains papers, short and synthesis report, and — quite exceptional in a European context — minutes of the meeting.<sup>29</sup> Results of PROGRESS peer reviews impact less directly on the central messages that come out of the Social OMC than SPC peer reviews. But there has been an increasing effort on the part of the Commission to disseminate lessons learned and to make sure those lessons feed into the main process.

Table 7.1 summarizes the different features of the two types of peer review ('In depth' and 'Progress Programme') practised under the Social OMC since 2006.

---

<sup>29</sup> See: <http://www.peer-review-social-inclusion.eu/peer-reviews>.



Table 7.1 **Comparison of the two types of peer review practiced under the Social OMC (2006-2011)**

	<i>'In depth' Reviews (SPC)</i>	<i>PROGRESS Programme' Peer Reviews</i>
<b>Hosting</b> and main responsibility for agenda setting	SPC (Especially Bureau and Secretariat)	One of the participating countries ('host country') <sup>30</sup>
<b>Venue</b>	Brussels	In the host country
<b>Frequency</b>	Linked to the reporting cycle (full and thematic reporting): about one each year	About eight to ten seminars each year
<b>Management</b> of the meeting	SPC Secretariat and SPC Bureau	Peer review manager - organizer (external contractor: facilitators & note taker)
<b>Participants</b>		
European Commission	SPC secretariat and large Commission delegation	Commission thematic expert, country desk, officer responsible for the programme
Member States	<ul style="list-style-type: none"> <li>All EU Member States</li> </ul>	- Limited selection of peer countries (usually 7 or 8, up to 10 participating countries)
Composition of Member State delegation	<ul style="list-style-type: none"> <li>SPC delegations</li> </ul>	- For every peer country two representatives (one government + one non-governmental expert)
Stakeholders	<ul style="list-style-type: none"> <li>As a rule no participants external to the SPC, except (occasionally) some experts</li> </ul>	- A representative of 2 European stakeholder networks; host country stakeholders; a nongovernmental network expert
Number of participants	Usually more than 60 people	Usually between 30 and 40 people
<b>Format</b>	<ul style="list-style-type: none"> <li>Plenary sessions to start and to end the in depth review</li> <li>Working Groups</li> </ul>	<ul style="list-style-type: none"> <li>Plenary sessions</li> <li>In some cases: Working groups</li> <li>Site visits</li> </ul>
<b>Reporting</b>	No or minimal formal reporting.	Extensive reporting on website: all papers that were used as input, short and synthesis report, minutes of the meeting.
<b>Follow up</b>	Feeds directly into the Joint Report through European Commission/SPC secretariat	Weaker / more indirect link to the Joint Report (main Social OMC messages)

<sup>30</sup> The PROGRESS peer review programme is not only open to EU Member States but also to accession countries and other European countries not part of the EU that adhere to the programme.

---

### *The best kept secret in Brussels: OMC 'Projects'*

Since the start of the Social OMC, each year the Commission has launched a call for proposals inviting project proposals on social protection and social inclusion issues. Calls have been launched on awareness raising, mutual learning projects, social experimentation. Through these projects, the Commission is promoting some action, cooperation and exchanges 'in the field'. Projects are funded on a co-financing basis. They typically last between one and two years. For most calls there is an explicit condition that projects be proposed by a partnership covering several Member States, and partnerships of different types of actors are encouraged — NGO's, ministries, universities, and local government. Except for the national awareness-raising calls, in most cases the projects are actually benchmarking or peer review exercises where partners document policies in different countries and organise seminars in each of the participating Member States. The results of the projects are typically put on project-funded websites. They are not accessible from the European Commission's website, so dissemination is not as effective as it should be.

The quality of the projects is certainly uneven: some have been more successful than others. Although it would require thorough analysis to trace the impact of the projects themselves, it is clear that results from the more successful projects have fed back into the central process through the participating actors: NGO's, Member States etc. An example of a project that had a wider impact is briefly described in box 7.3.

#### **Box 7.3 Example of OMC Project: micro-finance exchange network**

Developing an exchange network for European actors of micro-finance (transnational exchange project 2002).<sup>31</sup> Partners in this project were *Association pour le Droit à l'Initiative Economique* (France), Evers & Jung — Research and Consulting in Financial Services (Germany) and the New Economics Foundation (United Kingdom). The goal of this six month project was the promotion of the mutual learning and the exchange of know-how, as well as the dissemination of good practices between the microcredit operators, in order to improve the microcredit impact quality and effectiveness in terms of action against social exclusion in Europe (action in favour of self-employment of people in need). This project led to the launch of the European Microfinance Network in April 2003 (21 members). This network later developed into a core funded EU stakeholder network, which currently counts 93 member organisations in 21 European countries.

---

<sup>31</sup> See [http://www.european-microfinance.org/index2\\_en.php](http://www.european-microfinance.org/index2_en.php).

---

## Drawing conclusions in Joint Reports on Social Protection and Social Inclusion and Commission Recommendations

Joint reports bring together the lessons learned as a result of the mutual learning/benchmarking activities during the year. A draft of the report is prepared by the Commission at the end of the year, discussed with Member States and EU stakeholder networks, and a final version approved by the Social Affairs Council at the start of the next year. A joint report consists of two parts: the actual joint report (where 'joint' means approved by both the European Commission and the Council) which is rather concise (typically 10–15 pages), and the more elaborate supporting document published as a Commission Staff Working Document (although the subject of discussions between the Commission and Member States, the final responsibility lies with the Commission). The joint report contains 'Key Messages' (merely a few pages) that are communicated by the Social Affairs Council to the Spring European Council, the annual meeting of EU heads of state and government that takes stock of the state of the EU.

The supporting document contains an analysis of the commonly agreed indicators (the social situation of the EU) or an in-depth analysis of the key issue in thematic years on the basis of the commonly agreed indicators (presenting graphs which rank Member States — see section 7.3, *Indicators: genuine benchmarking in spite of sensitivities*). Then there is the policy analysis part, which presents a horizontal analysis (across Member States) of the major social protection and inclusion issues reviewing challenges and Member States' policies. Finally, there are country fiches, which summarise the results of the vertical analysis per Member State. Although the EU treaty does not provide for individual country recommendations on social protection and social inclusion (in this respect there is a difference with the European Employment Strategy) the country fiches do identify country specific 'challenges'.

Even though the academic literature has classified these messages from the Commission as too general to have any real bite, box 7.4 below illustrates that in some cases suggestions to the Member States can be rather far-reaching, and really represent 'soft recommendations' which cover the three strands of the Social OMC.

Because the joint report is a rather unwieldy document that summarises lessons learned on many issues on an annual basis it is not very accessible for people looking for guidance on a specific issue. This may partly explain why in general it is only known within the OMC community. The Commission has proposed to summarise lessons learned on key issues (the results of the consensus framing exercise) in Commission recommendations (CEC 2008b, p. 5). Through such Commission recommendation, results of the mutual learning exercise can be

---

brought together and made visible. Since the recommendation is subsequently discussed by the other European institutions, this makes it possible to involve EU institutions not normally involved in the Social OMC, like the European Parliament. The follow up, monitoring of the impact of the recommendation can then be organised within the Social OMC. Thus, a Commission recommendation on the active inclusion of people excluded from the labour market was published in October 2008 (CEC 2008a). In December 2008 the EPSCO council endorsed the recommendation (Council of the EU 2008), and in May 2009 the European Parliament endorsed it (EP 2008).

**Box 7.4      Examples of country specific challenges (subtle ‘recommendations’) through the Joint Reports**

**Governance**

*Austria*: While the presented objectives are by themselves very important, they are in major parts not made more concrete by target setting and rolling out a financial perspective to underpin the process (CEC 2004).

**Social inclusion**

*Spain* was advised that ‘Co-ordination and co-operation between the different administrative levels will be required to define a minimum standard of measures in order to tackle the inclusion issue in a more homogenous way throughout the national territory’ (CEC 2002).

**Pensions**

The *Czech Republic* was asked to ‘To ensure that reforms (e.g. privatization of funds) are properly thought through on the basis of past experience and the experience of other countries’ (CEC 2009b).

**Health care**

*Luxembourg* was asked to limit ‘the overuse of antibiotics’ and improve the use of generic medicines (with regard to quality and financial sustainability) (CEC 2007; CEC 2009b).

## **7.4      Europe 2020 Strategy: is there still room for social benchmarking?**

While the previous section focussed on social benchmarking throughout the past decade, this section briefly introduces the main features of the Europe 2020 Strategy and discusses the key changes this entails for benchmarking within the Social OMC.

---

## A new strategy for Europe until 2020: objectives and governance

### *Overall objectives and general architecture of the new strategy*

In the words of the European Commission (CEC 2010b), Europe 2020 is a Strategy ‘to turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion’. This new Strategy is based on enhanced socio-economic policy coordination, and is organised into three priorities, which are expected to be mutually reinforcing:

- *smart growth* — ‘strengthening knowledge and innovation as drivers of our future growth’
- *sustainable growth* — ‘promoting a more resource efficient, greener and more competitive economy’
- *inclusive growth* — ‘fostering a high-employment economy delivering social and territorial cohesion’.

Europe 2020 has been organised around three (supposedly integrated) pillars:

- *Macroeconomic surveillance*, which aims at ensuring a stable macroeconomic environment conducive to growth and employment creation. This is the responsibility of the EU ‘Economic and Financial Affairs’ (ECOFIN) Council.
- *Thematic coordination*, focusing on structural reforms in the fields of innovation and R&D, resource-efficiency, business environment, employment, education and social inclusion. Thematic coordination combines EU priorities, EU headline targets (translated into national targets that underpin them) and EU flagship initiatives. It is conducted by the sectoral formations of the EU Council of Ministers. This includes, for social protection and inclusion matters, the EPSCO Council. In other words, this is where we find the Social OMC in the new architecture.
- *Fiscal surveillance under the Stability and Growth Pact*, which should contribute to strengthening fiscal consolidation and fostering sustainable public finances.

### *Europe 2020: the EU and domestic level*<sup>32</sup>

The June 2010, the European Council agreed to set ‘five EU headline *targets* which will constitute shared objectives guiding the action of Member States and the Union’ (European Council 2010b). These include an EU target that aims *to promote*

---

<sup>32</sup> This section draws on Frazer *et al.* (2010) and Vanhercke (2011).

---

*social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion. The target will consist in reducing the number of people in the EU who are at risk of poverty and/or materially deprived and/or living in jobless households (120 million) by one sixth.*<sup>33</sup> With a view to meeting these EU-wide targets, Member States then have to set their *national* targets, taking account of their relative starting positions and national circumstances and according to their national decision-making procedures. They should also identify the main bottlenecks to growth and indicate, in their National Reform Programmes (NRP's), how they intend to tackle them. Member States submitted their second NRP's in April 2012.

To underpin these targets and 'catalyse progress under each priority theme', the Commission has also proposed seven *flagship initiatives* that should encompass a wide range of actions at national, EU and international levels: 'Innovation Union', 'Youth on the move', 'A digital agenda for Europe', 'Resource efficient Europe', 'An industrial policy for the globalisation era', 'An agenda for new skills and jobs' and 'European platform against poverty' (EPAP) (CEC 2010c).

Finally, ten *Integrated Guidelines* for implementing the Europe 2020 Strategy were adopted by the Council in October 2010 — six broad guidelines relating to the economic policies of the Member States and the EU, and four guidelines concerning the employment (and in fact also social) policies of the Member States. Their aim is to provide guidance to Member States on defining their NRPs and implementing reforms, in line with the Stability and Growth Pact. All of these instruments are brought together into a time frame that has been labelled the 'European Semester' (see Frazer, *et al.* 2010 for a more detailed discussion). The question then is whether this new framework has important ramifications for social benchmarking.

### **Benchmarking Social Europe under the new strategy: a blueprint for a reinvigorated Social OMC: opportunities and uncertainties**

As indicated in the introduction, the Social Affairs Ministers of the 27 Member States decided on a blueprint that outlines the main features of the future Social OMC. They did so by endorsing (in the EU jargon) an Opinion that was prepared by the Social Protection Committee (Council of the EU 2011).

Importantly, the SPC's blueprint for the future Social OMC starts by reaffirming that the Social OMC will continue to work in a 'holistic' way in that it will:

---

<sup>33</sup> The other targets relate to employment, education, research and development (R&D) and climate/energy.

- 
1. Cover the three strands of the Social OMC — inclusion, pensions *and* health care and long-term care.
  2. Encompass adequacy, financial sustainability *and* modernisation of social protection systems.
  3. Be an essential tool to support the Social Affairs Ministers in monitoring and assessing the *entire* social dimension of the Europe 2020 Strategy.

In other words: Social Affairs Ministers seem to see the OMC as a way to reclaim some of the territory they lost through a narrow focus of the Europe 2020 Strategy on ‘Growth and Jobs’. This seems to be confirmed by the affirmation that while ‘The Social OMC ... contributes to the Europe 2020 governance cycle (European Semester)’, it does so ‘while maintaining its specificity’ (read: its independence).

What are the main **features, questions and pitfalls** of the blueprint for the Social OMC in the next decade?

A general concern is whether in the longer run the **Social OMC will remain viable**. In view of important capacity constraints of both the dedicated Commission services and the Member States, there is considerable pressure to concentrate on one central process: Europe 2020.

It seems that a wide consensus exists around the **Common Objectives** on Social Protection and Social Inclusion: the existing set is reconfirmed. As indicated before, the main value of the objectives lies in their balanced approach to the social policy areas. They drive home the point that in order to be effective policies need to simultaneously reach different objectives: most importantly financial sustainability *and* social adequacy. The test will be whether such balanced policies will be a central characteristic of high level EU policy initiatives in the coming years. Arguably, the objectives have been somewhat strengthened through so-called ‘minor technical updating’, which includes ‘taking full account of the relevant social provisions of the Lisbon Treaty’. One of the new social provisions is the so called horizontal social clause (article 9 TFEU)<sup>34</sup>. The reference to the Lisbon Treaty (and thus article 9) may provide additional legitimacy to the European Commission to intensify its efforts as regards the social component of its impact assessments (mainstreaming social protection and inclusion concerns in all relevant policy areas). So far, however, there are no signs that the European Commission has picked up on this.

---

<sup>34</sup> This article states that ‘In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health’.

---

Then, there is the ‘**national reporting**’, which so far happened through the National Strategic Reports (and National Action Plans on Social Inclusion). Here, the Council considers that the policy coordination process carried out under the Social OMC requires ‘regular strategic reporting’ covering policies and measures in the three strands of the Social OMC. The Member States are currently submitting their first National Social Reports, new style. The reports are supposed to be coherent with and complementary to the NRPs.

The move to annual reporting (until now NSR’s were presented every three years) gives rise to some hope that the NRPs will be underpinned by comprehensive national strategies on social protection and social inclusion, and that the key elements of these will be referenced in the NRPs, but much will depend on the actual implementation: it seems more likely that the wording could lead to minimalistic interpretations of Member States’ reporting obligations.

The annual **Joint Reports** (adopted by the Council and the European Commission) have been abolished. They have been replaced by annual SPC Reports on the Social Dimension of the Europe 2020 strategy that are no longer formally adopted by the European Commission as a ‘college’ (decisions are deliberated collectively and the Members have collective responsibility). This raises concerns regarding a possible downgrading of the social assessment and a further reduction of its status, visibility and potential impact. The SPC opinion on the Social OMC further specifies that ‘The thematic work of the SPC *could* also lead to joint reports of the Commission and of the Member States’ (our italics). It remains to be seen whether such thematic Joint reports will indeed be forthcoming. A Commission recommendation on child poverty has been announced for 2012.

In line with the ‘holistic’ approach to the continued OMC, the decision has been taken to continue working on **indicators** in all three strands, while ensuring consistency with the newly established Joint Assessment Framework.<sup>35</sup> Among the priorities for indicator development in the coming years recently identified by the SPC are: the monitoring of interactions between social, economic, employment, and environmental policies and addressing the situation of the most vulnerable groups, such as the Roma (SPC 2011, p. 8). Again, the actual implementation of this blueprint will have to clarify what is meant with the Council’s open-ended commitments such as: ‘Member States and the Commission should continue to draw *selectively, as need be*, on the full set of commonly agreed indicators’ (our emphasis) in the context of the new reporting mechanisms.

**Peer reviews** are reconfirmed by the Council and the SPC as essential feature of the Social OMC, but they are to be more closely linked to policy reforms and the

---

<sup>35</sup> See: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=972&furtheNews=yes>.



---

dissemination of outcomes is to be improved (here reference is made to ‘Progress peer reviews’). Yet again, a key question prevails as regards the future of this tool, notably whether additional innovative peer review formats that have already been discussed in the SPC — in order to answer some shortcomings in the current mutual learning exercise — will be taken up. Among these formats are Social OMC workshops that could be a broader intermediary forum between individual peer reviews and the Social Protection Committee and follow up seminars in the host countries that would allow discussing lessons learned with a broader range of domestic stakeholders, notably also people involved in policy implementation at the local level.

While the SPC considers it important to improve the **involvement of stakeholders** such as social partners, NGOs, regional and local authorities as well as other relevant EU institutions, no specific proposals have been envisaged so far.

In other words, the proof of the pudding as regards the future of the Social OMC (and benchmarking as an essential part thereof) will be in the eating, as can also be seen from box 7.5 which summarises the key features, questions and pitfalls of the ‘reinvigorated’ Social OMC.

**Box 7.5    Blueprint of the Social OMC under the Europe 2020 Strategy: key features, questions and pitfalls**

1. **Common Objectives** — existing Objectives remain valid, but with ‘technical update’ (coherence with Europe 2020 and especially social provision of Lisbon Treaty); *Question*: will the European Commission enhance Social Impact Assessments?
2. **National reporting** — succinct annual reporting on social protection and social inclusion. *Question*: will key elements of comprehensive SPSI strategies be referenced in the NRPs? *Risk*: minimalistic interpretations of Member States’ reporting obligations).
3. **Indicators** — continue work on indicators in all three strands. *Risk*: Member States ‘draw too selectively’ on commonly agreed indicators in reporting.
4. **Joint Reports** — only published on specific occasions (thematic reporting). Replaced by ‘Annual Report of the SPC’. *Risk*: downgrading of social assessment and further reduction of status, visibility and impact.
5. **Peer Reviews** — reconfirmed as essential learning tools but should be more closely linked to policy reforms. *Question*: will innovative seminar formats linked to peer reviews be implemented? How to improve visibility and accessibility?
6. **Stakeholder involvement** — reconfirmed as important objective. *Question*: readiness to work on ‘voluntary guidelines’ as regards good quality stakeholder participation? *Risk*: further deterioration of participation as consequence of lighter reporting.

---

## 7.5 Wrapping things up: benchmarking in the social OMC demystified?

This chapter started off by describing the political setting in which the OMC emerged and was further institutionalised: in some politically sensitive areas where the unanimity rule prevented EU legislative initiatives, decision makers agreed that ‘doing nothing’ at EU level was not an option. As a result, the OMC emerged as a form of ‘governance by objectives’ through which Member States wanted to learn from one another (and thereby improve policies), while affirming that European integration equally had a visible social face. Since 2000, OMC-type processes and approaches have been proposed and applied by European institutions and stakeholders as mechanisms for coordinating domestic policies in a range of issue areas for which the EU has no formal authority, but also for monitoring and supplementing EU legislative instruments.

In the absence of a ‘shadow of hierarchy’ (Héritier and Lehmkuhl 2008), this ‘soft’ coordination tool seems hardly *adequate* to have any ‘real’ effect, at least this is the view of the ‘sceptical’ literature which by and large dismissed the OMC because of its institutional weakness. And yet the more ‘optimistic’ academic literature finds that at least the Social OMC (which is one of the more developed coordination processes) has a significant *impact* on domestic and EU policies, namely through mechanisms such as leverage and policy learning (see, for example, Vanhercke 2010).

In an attempt to unravel these contradictory findings, we set off to describe the way benchmarking really works in the context of the Social OMC, as it was clear to us that students of the OMC *are often* rather vague about *what they are actually talking about*, when they discuss the success and (especially) failure of ‘benchmarking’ in this context. By doing so, we found that Social OMC benchmarking is quite different from how it is usually portrayed in the literature in at least five respects.

First, it seems that the OMC’s learning tool are **more dynamic** than is usually acknowledged: thus, we described how the Peer Review mechanism was refined over the years, from (early) peer reviews on comprehensive national social inclusion plans to (later) in depth reviews of specific subjects or policies. We also saw how the set of indicators became increasingly multidimensional while covering more issue areas, development of input and output statistics; and we pointed to the increased use of quantified objectives or targets.

Second, the benchmarking tools are **more diversified** than is usually depicted, as we found when describing ‘SPC-peer reviews’ versus ‘PROGRESS’ Peer Reviews,

---

while for the latter two modalities can be identified: good practice peer reviews and policy problem or policy reform peer reviews. The latter distinction is more than just a nuance: the policy reform peer reviews are by no means the ‘window dressing’ exercises that are sometimes caricatured in the literature: discussions are often quite critical towards the presented policy, also because ‘site visits’ allow for a certain reality check.

Third, our in-depth description of social benchmarking in the Social OMC tool suggests that its tools have **more bite** than is usually assumed. OMC might look ‘soft’ but in some cases it feels quite hard to those who are touched by it. The same is true for the considerable pressure on Member States to start working with targets (even if this does not sit easily with their national culture). We presented a number of examples (*e.g.* child poverty) where Member States are ranked, not only as regards their outcomes, but also regarding the main causal factors of these outcomes. While country-specific messages are often deemed ‘too subtle’ even to be assessed by scholars, we provided some illustrations of ‘challenges’ for Member States identified through the JR SPSI, which in some cases are rather far-reaching, and really represent ‘soft recommendations’ which cover the three strands of the Social OMC. In other words, it is clear that ‘genuine’ benchmarking is going in the Social OMC, in spite of sensitivities, and that the ‘hard politics of soft law’ is not fiction.

Fourth, it seems that the OMC benchmarking is **more open** (involves a wider range of actors) than oftentimes assumed. In other words, the image of the Social OMC (especially but not only peer reviews) as involving a rather closed circle of non-accountable bureaucrats (Kröger 2009, p. 13) is sometimes exaggerated. Thus, the existence of supporting tools such as the nongovernmental expert and EU (civil society) stakeholder networks, are rarely acknowledged. And yet, through the exchanges with other networks members and their participation in drawing up EU comparative analyses (for example, benchmarking exercises, and development of scorecards), the experts acquire cross-country knowledge and become part of what could be called the ‘Social OMC community’. They can have an important impact on the quality of the benchmarking exercise. The same is true for the actors participating in the described (yet well-hidden) OMC ‘projects’: over the years the projects have equally supported the development of the Social OMC community, through the introduction of new partners to the process and by supporting the development of the EU civil society stakeholder networks. These stakeholders contribute to ‘capillary effects’ of the Social OMC in that benchmarking as a governance tool is increasingly being promoted outside the formal OMC inner circle (mainly governments and Commission officials).

---

It will be clear from this chapter that these capillary effects are by no means automatic processes: they are purposefully constructed by key actors in the process, for example, through funding. The crux of the matter is this: it is not the ‘hardness’ or the ‘softness’ of the OMC that matters, but its capacity to stimulate policy learning and benchmarking (through a rather refined set of tools) and especially creative appropriation and action by European, national and sub-national actors. Indeed, OMC benchmarking can only have an impact if it is being ‘picked up’ by actors at the domestic level, who use it as leverage to (selectively) amplify national reform strategies.

Thus, social policymakers are now facing the key challenge of re-establishing a role for a wide range of actors within the heart of the Social OMC, including by implementing innovative peer review formats and dissemination practices, developing guidelines for the quality involvement of stakeholders. And exploring the possibility of introducing procedural requirements into soft law mechanisms, such as rights to transparency and participation in the OMC. If they succeed, these policymakers (and the larger OMC community) may very well reach the goal they wanted to achieve by reinvigorating the Social OMC in June 2011: to counterbalance the Europe 2020 Strategy’s excessive focus on fiscal and economic considerations in the first so called ‘European Semester’ and the narrowing down of social policy to policy against poverty and social exclusion in the set up of the new strategy (for example in the European Commission’s first Annual Growth Survey). One way to provide such counterweight would be to continue producing sound analysis and political messages about how broad ‘social protection (social insurance) and social inclusion’ strategies are to be considered as a productive factor.

By pursuing this avenue, the EU would live up to its own commitment to deliver ‘inclusive growth’ and perhaps even provide Europe’s people with hope for an ever stronger Social Europe.

## References

- Börzel, T. 2003, *What can Federalism teach us about the EU? The German experience*, The Federal Trust for Education & Research, online paper 17.
- Caritas Europa 2007, *An Interim Assessment of Europe’s National Social Inclusion Strategies*, p. 3, Brussels, <http://www.caritas-europa.org/module/FileLib/CONCEPTENLowRes.pdf>.
- CEC 2007, *Joint Report on Social Protection and Social Inclusion 2007*.
- 2004, *Joint Report on Social Inclusion 2004*.

- 
- 2002, *Joint Report on Social Inclusion 2002*.
- 2008a, Commission Recommendation 2008/867/EC of 3 October 2008 on the active inclusion of people excluded from the labour market, *Official Journal of the European Union* L 307/11 of 18 November 2008, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:307:0011:0014:EN:PDF>.
- 2008b, Commission Communication ‘A Renewed Commitment To Social Europe: reinforcing the open method of coordination for social protection and social inclusion’, COM (2008) 418, Brussels, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0418:FIN:EN:DOC>).
- 2009a, *Portfolio of indicators for the monitoring of the European strategy for social protection and social inclusion*, <http://ec.europa.eu/social/BlobServlet?docId=3882&langId=en>.
- 2009b, *Joint Report on Social protection and Social Inclusion 2009*, 524 pages.
- 2010a, Annual Growth Survey: Advancing the EU's Comprehensive Response to the Crisis, Communication from the Commission, COM (2011) 11, Brussels, [http://ec.europa.eu/europe2020/pdf/en\\_final.pdf](http://ec.europa.eu/europe2020/pdf/en_final.pdf).
- 2010b, Communication from the Commission ‘Europe 2020: A strategy for smart, sustainable and inclusive growth’, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>.
- 2010c, Commission Communication ‘The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion’, COM (2010) 758, Brussels, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52010DC0758:EN:NOT>.
- 2010d, *Joint Report on Social protection and Social Inclusion 2010*, 304 pages, <http://ec.europa.eu/social/BlobServlet?docId=4667&langId=en>.
- Council of the EU 2006, Endorsement of the Joint Social Protection Committee/Economic Policy Committee Opinion on the Communication from the Commission ‘Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union’; Council of the European Union document 6801/06 pp. 8–10 corrigendum 5/07/2006.
- 2008, ‘Council Conclusions on common active inclusion principles to combat poverty more effectively, 2916th Employment, Social Policy, Health and

- 
- Consumer Affairs Council meeting', Brussels, [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/lsa/104818.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/lsa/104818.pdf).
- 2011, 'Endorsement of the Opinion of the Social Protection Committee on reinvigorating the Social OMC in the context of the Europe 2020 Strategy', doc. 10405/11, SOC 418, Brussels, <http://register.consilium.europa.eu/pdf/en/11/st10/st10405.en11.pdf>.
- de Búrca, G. and Scott, J. 2006, 'Introduction: New Governance, Law and Constitutionalism' in G. de Búrca and J. Scott (eds), *Law and New Governance in the EU and US*, Hart, Oxford.
- EP 2008, Active inclusion of people excluded from the labour market. European Parliament resolution of 6 May 2009 on the active inclusion of people excluded from the labour market (2008/2335(INI)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=//EP//NONSGML+TA+P6-TA-2009-0371+0+DOC+PDF+V0//EN>.
- and Council of the EU 2006b, Decision No 1672/2006 of the European Parliament and of the Council of 24 October 2006 establishing a Community Programme for Employment and Social Solidarity — PROGRESS, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:315:0001:0008:EN:PDF>.
- and — 1999, Regulation (EC) No 1784/1999 of the European Parliament and of the Council of 12 July 1999 on the European Social Fund, OJ L213/5 of 13 August 1999, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31999R1784:EN:HTML>.
- Espeland, W.N. and Stevens, M.L. 1998, 'Commensuration as a Social Process', *Annual Review of Sociology*, vol. 24, pp. 313–343.
- European Council 2000, *Presidency Conclusions – Lisbon European Council 23 and 24 March 2000*, [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/00100r1.en0.htm](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100r1.en0.htm).
- 2010b, *Conclusions – 17 June 2010*, EUCO 13/10, [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/115346.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/115346.pdf).
- Frazer, H., Marlier, E., Natali, D., Van Dam, R. and Vanhercke, B. 2010, 'Europe 2020: Towards a More Social EU?', in Marlier, E. and Natali, D. (eds.), *Europe 2020: towards a more social EU?*, P.I.E. Lang, Brussels.

- 
- Greer, S. and Vanhercke, B. 2010, 'Governing Health Care through EU Soft Law', in E. Mossialos, T. Hervey, R. Baeten (eds), *Health System Governance in Europe: the role of EU law and policy*, Cambridge University Press, Cambridge.
- Hemerijck, A. and Visser, J. 2001, 'Learning and Mimicking: how European welfare states reform', typescript.
- Héritier, A. and Lehmkuhl, D. 2008, 'The Shadow of Hierarchy and New Modes of Governance', *Journal of Public Policy*, vol.28, no. 1, pp. 1–17.
- Kröger, S. 2009, 'The Open Method of Coordination: underconceptualisation, overdetermination, de-politicisation and beyond', in S. Kröger (ed.) *What Have We Learnt: advances, pitfalls and remaining questions in OMC research*, European Integration online Papers (EIoP), Special Issue 1, Vol. 13, Art. 5, <http://eiop.or.at/eiop/texte/2009-005a.htm>.
- Laursen, F. 2011, *The EU and Federalism: politics and policies compared*. Farnham, Ashgate.
- Leibfried, S. and Pierson, P. 1995, 'European Social Policy. Between fragmentation and integration', Brookings Institute, Washington DC.
- Majone, G. 2006, 'Federation, Confederation, and Mixed Government: a EU–US comparison', in Anand Menon and Martin Shain, (eds), *Comparative Federalism: the European Union and the United States in comparative perspective*, Oxford University Press, New York.
- Meyer, H., Barber, S. and Luenen, C. 2011, The Open Method of Coordination. A Governance Mechanism for the G20? Bertelsmann Stiftung, p. 21, [http://www.bertelsmann-stiftung.de/bst/en/media/xcms\\_bst\\_dms\\_34910\\_34911\\_2.pdf](http://www.bertelsmann-stiftung.de/bst/en/media/xcms_bst_dms_34910_34911_2.pdf).
- Moravcsik, A. 2001, 'Federalism in the European Union: Rhetoric and Reality', in *The Federal Vision*, pp. 161-189, Oxford Scholarship Online Monographs, Oxford.
- OSI 2010, No Data—No Progress: country findings, data collection in countries participating in the Decade of Roma Inclusion 2005–2015, Open Society Institute, <http://www.unhcr.org/refworld/docid/4cbc430e2.html>.
- SPC 2008, Child Poverty and Well-being in the EU – Current Status and Way Forward, OPOCE, Luxembourg. <http://ec.europa.eu/social/BlobServlet?docId=2049&langId=en>.
- 2011, Background Paper to the SPC from the ad hoc group on reinvigorating the Social OMC in the context of the Europe 2020 Strategy, Doc. SPC /2011.09/1, p. 31.

- 
- and CEC 2010, 2010 Update of the Joint Assessment by the SPC and the European Commission of the social impact of the economic crisis and of policy responses, Doc 16905/10, SOC 793, Brussels, <http://register.consilium.europa.eu/pdf/en/10/st16/st16905.en10.pdf>.
- Streeck, W. 1996, 'Neo-Voluntarism: a new European social policy regime?', in Marks, G. *et al.* (eds), *Governance in the European Union*, SAGE, London.
- TFEU 2010, Consolidated version of the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU), *Official Journal of the European Union*, C 83, vol. 53, no. 30, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:083:0047:0200:en:PDF>.
- Vandenbroucke, F. 2001, 'New Policy Perspectives for European Cooperation in Social Policy', Speech at the European Conference 'Social and Labour Market Policies: Investing in Quality', Brussels, <http://oud.frankvandenbroucke.be/html/soc/T-010222bis.htm>.
- Vanhercke, B. 2010, 'Delivering the Goods for Europe 2020? The Social OMC's adequacy and impact re-assessed', in Marlier, E. and Natali, D. (2010), *Europe 2020: Towards a more Social EU?*, Peter Lang, Brussels.
- 2011, 'Is "The Social Dimension of Europe 2020" an Oxymoron?', in Degryse, C. and Natali, D. (eds), *Social Developments in the European Union 2010*, ETUI, OSE, pp. 141–74, Brussels.
- Verschraegen, G., Vanhercke, B. and Verpoorten, R. 2011, 'The European Social Fund and Domestic Activation Policies: europeanization mechanisms', *Journal of European Social Policy*, vol. 21 no.1, pp. 1–18.
- Wallace, H. and Wallace, W. 2001, *Policy Making in the European Union*, Oxford University Press, Oxford.
- Zeitlin, J. 2005, 'The Open Method of Co-ordination in Question', in Zeitlin, J. & Pochet, P. (eds), *The Open Method of Co-ordination in Action: the European Employment and Social Inclusion Strategies*, P.I.E.-Peter Lang, Brussels.