

[2] The Open Method of Coordination: A tool for policy exchange and mutual learning in the EU

In the context of social affairs, the Open Method of Coordination (OMC) is a process of policy exchange and mutual learning whereby Member States coordinate their national policies for combating poverty and social exclusion. In short, it is a mechanism to 'name and fame' best practice across the EU.

■ Why is the OMC used as an instrument?

In broad areas of economic, employment and social policy, the Member States have to meet reform challenges that are similar throughout Europe. The convergence of challenges has been driven by the economic integration within the internal market, and the effects of the fast changing global economy, technological innovation and demographic change.

A new instrument was therefore needed which supports the Member States in their reform efforts, while respecting their legal competences.

The OMC provides this framework of political coordination without legal constraints. It is based, on the one hand, on the setting of common objectives, indicators and benchmarking, the exchange of best practice, and monitoring at the European level. On the other hand, Member States are free to choose how they appropriately achieve these common objectives.

Member States make such commitments within their individual national reform programmes (or action plans, strategy reports), which then serve as a basis for evaluating their efforts.

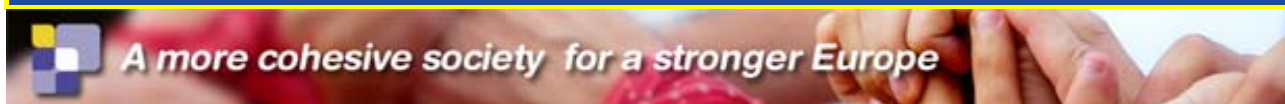
■ When did it all start?

The OMC was first applied in EU employment policy, as outlined in the Amsterdam Treaty of 1997, although it was not called by this name at the time. It was officially named, defined and endorsed at the Lisbon Council in 2000 in the fields of Social Protection and Social Inclusion.

Since then it has been applied within the context of the European employment strategy, social inclusion, social protection, immigration, education and culture, and asylum, and its use has also been suggested for health as well as environmental affairs.

■ How does it work?

Within the Framework of the EU Social Protection Social Inclusion Process, Member States agree to identify and promote their most effective policies in the abovementioned areas, with the aim of learning from each others' experiences.



This is a flexible and decentralised method which involves:

- Agreeing to common objectives which set out high-level, shared goals to underpin the process;
- Agreeing to a set of common indicators which measure progress towards these goals;
- Preparing national strategic reports, in which Member States set out how they will plan policies over an agreed period to meet common objectives;
- Evaluating these strategies jointly with the European Commission.

PROGRESS (Community Programme for Employment and Social Solidarity), also provides a legal framework for the exchange of best practice and mutual learning within the EU Social Protection Social Inclusion Process.

■ What are the policy areas to which the OMC on Social Protection Social Inclusion is applied?

From 2006, three policy areas in the broader scope of social affairs provide the framework for the OMC:

1. Eradicating poverty and social exclusion;
2. Securing adequate and sustainable pensions;
3. Providing accessible, high quality and sustainable health and long-term care.

■ What has been the contribution of the OMC thus far?

The contribution of the OMC to the achievement of the European Union's social agenda is manifold, as revealed by an evaluation carried out in 2005 as well as by the continuous feedback given by Member States and third-part stakeholders.

- First, the OMC has increased awareness of the multi-dimensional nature of exclusion and poverty and forged a shared approach to social protection reforms based on the principles of accessibility, adequacy, quality and sustainability.
- On the policy front, Member States have assessed positively the impact of the OMC on their national strategies to combat social exclusion and reform their social protection systems, mainly through the setting of common objectives and the National Reports on Strategies.
- The reflection on active inclusion policies steered by the Commission has demonstrated that social policies are supportive of the European Jobs and Growth Strategy.
- Last but not least, the OMC has contributed to the emergence of new working methods by stimulating a partnership approach to governance within Member States, including social partners, local and regional authorities, and other stakeholders from the social economy and civil society.

■ The EU Social Protection Social Inclusion Process

Through the EU Social Protection and Social Inclusion Process, the European Union coordinates and encourages Member State actions to combat poverty and social exclusion, and to reform their social protection systems on the basis of policy exchange and mutual learning. As such, it underpins the achievement of the Union's strategic goal of sustained economic growth, more and better jobs, and greater social cohesion by 2010.