

Working Group V

Working document 12

Working group V « Complementary Competencies »

Subject : Note by Mrs. Helle Thorning-Schmidt on "The Open Method of Co-ordination"

The Open Method of Co-ordination

The open method of co-ordination (OMC) is of growing importance, and it is attracting interest outside the EU, too, as a method of improving multi-level governance in federal systems or in more loosely coupled polities.

The OMC is not a single set of procedures. There is considerable room for variation. At one end are the co-ordination processes of the broad economic policy guidelines and the European employment strategy which are highly institutionalised and already laid down in detail in the treaty.

At the other end one finds the informal co-ordination on social inclusion and pension reform (and arguably other policy areas).

The Belgian Minister for Social Affairs and Pensions, Frank Vandenbroucke, has proposed a definition broad enough to cover all the variations:

*"Open co-ordination is a mutual feedback process of planning, examination, comparison and adjustment of the (social) policies of (EU) Member States, all of this on the basis of common objectives".*¹

The OMC is especially well adapted to pursuing common objectives in areas sensitive to most Member States (health care, pension systems, etc.), as it leaves it to the Member States themselves to decide on specific strategies and instruments.

On the other hand it must be stressed that OMC is not a miracle method to be applied everywhere, and it should not be seen as way of squeezing out "hard EU law". But it deserves to be recognised as an instrument on an equal footing with other instruments of the Union.

¹ "The EU and social protection: what should the European Convention propose?" Paper presented at the Max Planck Institute for the Study of Societies. Köln, 17 June 2002. The definition here (slightly adapted) is quoted from a paper on OMC and EES from Jonathan Zeitlin presented to the EMPL Committee 8 July 2002.

There is a general feeling that the OMC has to be improved and must be codified in the new treaty. A codification shall, as a minimum, take place along the following lines:

1. The balance between the EU institutions must be maintained (or rather, restored). The role of the Commission and the EP must be explicitly stated.
2. To be effective, the OMC must be made more open and transparent. A broad range of actors must take part in the mutual feedback process on EU, national and subnational level (national parliaments, local and regional governments and administrative bodies, NGO's, social partners). In addition, the cross-national learning processes must be improved.
3. The flexibility of open co-ordination, one of its hallmarks, must be maintained. There must be room for variations in accordance with the specific nature of the policy areas.

The codification of the OMC in the treaty shall consist of two steps:

1. The OMC shall be included in the list of instruments available to the Union (cf. II 15 in Peter Altmaier's paper WD 9).

The basic principles of OMC shall be outlined, respecting the need for flexibility in its specific applications.

2. The OMC shall be incorporated, where appropriate, in the specific articles on relevant policy areas.

Frank Vandembroucke has given an example in his paper of what this may look like in the field of social inclusion and social protection. As it has the form of a concrete text proposal, it may prove a valuable starting point for further discussions:

Text proposal (article ‘144bis’)

Anchoring the open method of co-ordination with regard to social protection and inclusion to the Treaty

In the fields referred to in Articles 137, paragraph 1, (j) and (k), (*)

the Council,

on the basis of the conclusions of the European Council,

pursuant to a consensus between the Member States, on a proposal from the Commission, which takes into account the opinion of the Social Protection Committee, and after consulting the European Parliament, management and labour, and the Social Protection Committee,

shall

- adopt a set of commonly agreed objectives and commonly agreed indicators,
- if appropriate, draw up guidelines which the Member States shall take into account in their policy,
- adopt reports on the implementation of this co-operation process.

The result of this process shall be incorporated into the Broad Economic Policy Guidelines.

(*) reference is to the Treaty establishing the European Community as amended by the Treaty of Nice)