Chapter 5
From the Lisbon strategy to the European Pillar of Social Rights: the many lives of the Social Open Method of Coordination

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Introduction[1]

This twentieth edition of *Social policy in the European Union* (or *Bilan social* in its shorter French version) provides a timely opportunity to revisit the EU's turn to 'soft governance' – notably in the area of social protection and social inclusion – which was formalized two decades ago. In July 1999, the Santer European Commission proposed a 'Concerted Strategy for Modernising Social Protection' (European Commission 1999). Following its adoption by the Council of the EU (1999), the new strategy was politically rubberstamped at the highest political level, at the March 2000 Lisbon European Council. The heads of state and government provided the EU with a political mandate to launch a 'new Open Method of Coordination' (OMC), not only in the area of poverty and social exclusion but 'at all levels' (European Council 2000:§7), with a view to implementing the EU's Lisbon Strategy (aimed at smart, sustainable and inclusive growth) through the use of non-binding tools such as reporting, monitoring, benchmarking against agreed indicators, targets and peer reviews.

It may come as a surprise to the many critics of the OMC – which is not legally constraining and therefore has a questionable reputation among academics in terms of actual delivery[2] – that the method is still alive and well (amongst others in the form of the European Semester) twenty years after its formal launch, even though open coordination is now far less visible in the European Commission's key documents. Since 2005, the Commission has indeed given precedence to the EU's consecutive overarching socio-economic coordination processes – the Lisbon Strategy, the Europe 2020 Strategy and the European Semester – rather than to 'competing' sectoral strategies such as the OMC.

At the same time, within the Employment Committee (EMCO) and the Social Protection Committee (SPC) – the two advisory bodies of the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council formation – references to the OMC remain frequent, including in their published opinions. The basic tools of the OMC, including different types of peer reviews and indicator-driven comparisons between Member States, indeed remain fully

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2. As explained by Schäfer (2006), the initial praise for the OMC, both by politicians and scientists, quickly turned into scepticism. For a literature overview of the four categories of the early OMC literature – theoretical, normative, empirical, and critical – see Citi and Rhodes (2007).

operational: they have been firmly institutionalized and considerably reinforced over the years and, as will be demonstrated below, still serve as mutual learning and benchmarking tools in the European Semester and, since 2018, in the implementation of the European Pillar of Social Rights. The role of the OMC tools in the monitoring of the Sustainable Development Goals (SDGs) is currently under discussion in the aforementioned Committees.

In other words, while the debate about the EU's next 'grand strategy' is ongoing (as the Europe 2020 Strategy is drawing to an end), the OMC continues to provide a template for policy coordination in areas where the EU has limited or no competencies, allowing players to 'agree to disagree', i.e. agree on a working method at EU level while holding divergent views on policy priorities. This is confirmed in the recent joint EMCO/SPC assessment of the Europe 2020 Strategy: while both committees acknowledge that 'the overall impact of the OMC, which depends on voluntary take-up by Member States and national stakeholders, has not been strong enough, given the difficult context of the great recession' (EMCO and SPC 2019: 107), they also agree that 'the method has contributed to putting important social policy issues on the agenda at EU and national level' (*ibid.*: 87). As a result, 'there is strong support for continuation of the OMC as it provides a means for achieving upward social convergence' (*ibid.*).

This chapter seeks to revisit the emergence[3] of the OMC in the area of social protection and social inclusion, as well as its development over the past two decades, embedding the discussion in a wider reflection about (not so) soft governance in the EU. It describes the institutionalization of the OMC in the areas of social protection and social inclusion over the past two decades, starting with its formal launch in 2000. The OMC is a flexible and constantly metamorphosing tool: I will distinguish six stages (or 'lives') of the Social OMC since the term was first coined by the Lisbon European Council. Section 1 describes the initial stage of *experimenting*: the proliferation of OMCs after Lisbon. Section 2 on *streamlining* outlines how the Social OMC was rolled back *and* grew teeth in 2005–2006. Section 3 on *capacity building* illustrates how the OMC's learning tools were further developed 'in splendid isolation' in the years 2007–2009. Section 4 deals with the *marginalisation* of the Social OMC at the start of the Europe 2020 Strategy and the European Semester. Section 5 on *reinvigoration* provides an account of how the Social Protection Committee saved its process in 2013 and thereby paved the way for the initial 'socialisation' of the European Semester. How the OMC fared under the Juncker Commission is explained in Section 6 on *maturity*, which looks at the further socialisation of the European Semester through the OMC toolbox.[4]

The chapter's conclusions discuss the implications of the presented empirical findings for the ongoing (academic) debates about social Europe and the debate over new governance in the EU. It argues that whether the OMC will continue to play a significant role in the EU's post-2020 socio-economic governance will ultimately not depend on its hardness or

3. The fact that the heads of state and government placed modernising social protection and promoting social inclusion high on the political agenda at their Lisbon gathering did not come 'out of the blue'. Elsewhere I have argued that ten 'milestones' – or important turning points – can be identified which led, over a very long timespan, to the formal launch of the Social OMC in 2000 (Vanhercke 2006).
4. Some of these terms are based on Tholoniat (2010), who usefully identified three stages in the development of the Social OMC between 2000 and 2009: an experimental phase, streamlining and a period of maturity.

softness, but on whether key domestic and EU players continue to use it strategically to further their ambitions. Whether this happens will in turn be determined by the OMC's visibility within the EU's ever-expanding policymaking toolbox: a clear political affirmation of the Social OMC's political objectives under the EU's next grand strategy, also clarifying how it ties in with the European Pillar of Social Rights and the Sustainable Development Goals (SDGs), seems warranted. The recently launched economic governance review (European Commission 2020a) provides a widow of opportunity to further socialise' the EU's overarching strategy by making full use of the OMC toolbox: only as part and parcel of this strategy can the OMC maintain its influence and thus its relevance.

1. Experimenting: a proliferation of OMCs after Lisbon (2000-2004)

The story of the OMC started well before its baptism in Lisbon in 2000: it was strongly influenced by the experience of the European Employment Strategy (EES), the origins of which can be traced to the early 1990s. The working methods of the OMC proposed by the Lisbon European Council indeed built on the existing EES as well as the Broad Economic Policy Guidelines (BEPG): both of these can be considered as OMCs *avant la lettre* which served as an institutional template for soft policy coordination and were themselves largely inspired by the work of the Organisation for Economic Cooperation and Development (OECD).[5]

And yet, the Lisbon European Council in March 2000 seems an appropriate starting point for our narrative, as it provided a broad mandate to launch a new European-wide approach in a variety of policy areas: in addition to social exclusion, the Conclusions of the European Council (2000) explicitly referred to the use of the OMC in the areas of the information society and e-Europe (*ibid.*: §8), innovation and research and development (*ibid.*: §13). Furthermore, even though the term 'OMC' was not explicitly used 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* support to launching or continuing policy coordination in these and other policy areas. According to Rodrigues (2001), the OMC was indeed up and running in around a dozen policy areas at the beginning of the 2000s.

Even though these OMCs clearly involve to some extent the specific ensemble of elements defined by the Lisbon European Council (objectives, indicators, etc.), 'actual OMC processes as they have evolved since Lisbon vary considerably in their modalities and procedures, depending on the specific characteristics of the policy field in question, the Treaty basis of EU competence, and the willingness of the Member States to take joint action' (Zeitlin 2005). This should not come as a surprise, since initiatives 'emerged through contacts between individual Directorates General, national ministries, business actors and/or NGOs in the sectors concerned. *Ad hoc* arrangements were agreed upon to reflect sectoral specificities and most processes started informally' (Tholoniat 2010: 97). As Vandenbroucke (2002: 9)

5. Apart from the BEPG and the EES, one could also mention 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: 20).

put it, OMCs have been created that 'together constitute a cookbook that contains various recipes, lighter and heavier ones.'

1.1. Social inclusion: a sense of urgency, leading to a full-blown OMC

Thanks to a strong mandate from the Lisbon European Council,[6] a firm institutional setup[7] and concerted action by a small group of policy entrepreneurs,[8] the Social Inclusion[9] OMC evolved from a blueprint to a detailed architecture within a very short time (2001–2002). Its architecture encompassed all ideal-typical OMC tools: four common objectives, endorsed by the Nice European Council, 18 commonly agreed and defined indicators (prepared by the SPC Indicators Sub-Group and endorsed by the Laeken European Council), National Action Plans on Social Inclusion, Joint Reports (adopted jointly by the Commission and the (EPSCO) Council formation) and the requirement to set national targets – and not EU-wide targets, as the Commission had proposed – in the fight against poverty.[10]

In addition, agreement was reached on a Community Action Programme to combat social exclusion that would explicitly support the OMC on social inclusion (European Parliament and Council of the European Union 2002).[11] Importantly, on 17-18 October 2002, the first European Roundtable on Poverty and Social Exclusion was held in Aarhus, Denmark; from this moment onwards, this Roundtable would be held annually, with the support of the European Commission, by the country holding the Presidency of the EU. In other words, by the end of 2002, the complete analytical infrastructure of the Social Inclusion OMC was in place. In 2003, European Commissioner Anna Diamantopoulou and the Social Affairs ministers of the acceding countries formally signed ten Joint Memorandums on Social Inclusion (JIMs), preparing the future Member States for full participation in the Social Inclusion OMC upon accession in 2004, the year in which the second Joint Report on Social Inclusion was adopted and in which the new Member States submitted their first full-blown National Action Plans on Social Inclusion. In 2005, all Member States submitted updated action plans, reporting on new initiatives and thereby providing essential input

6. The Lisbon European Council stated that 'The number of people living below the poverty line and in social exclusion in the Union is unacceptable. Steps must be taken to make a decisive impact on the eradication of poverty' (European Council 2000: §31).

7. The OMC has been implemented by the SPC and its predecessor, the Interim High-Level Working Party on Social Protection. The SPC was created through a Council Decision in 2000 and provided the Committee with a strong political mandate (Council of the European Union 2000). The SPC inherited the working methods of the Employment Committee, including the fact that civil servants report directly to the competent ministers (i.e. deliberations from the SPC go straight to Council, without going through COREPER). At a later stage, the SPC became a Treaty-based Committee in Article 160 of the Treaty on the Functioning of the EU.

8. For a detailed discussion, see Vanhercke 2016.

9. The European Commission was instrumental in expanding, at the end of 1990s, the terminology from 'poverty' and 'social exclusion' to the broader notion of 'social inclusion', which contributed to mobilizing political support around a positive (social inclusion) rather than a negative (poverty) EU policy agenda. Thanks to Eric Marlier and Luc Tholoniat for pointing this out.

10. The Barcelona European Council stipulates that 'Member States are invited to set targets, in their National Action Plans, for significantly reducing the number of people at risk of poverty and social exclusion by 2010' (European Council 2002: 9).

11. The Programme covered the period January 2002 – December 2006 and was 'part of an open method of coordination between Member States to give a decisive impetus to the elimination of social exclusion and poverty' (European Parliament and Council of the European Union 2002: 3).

for the first 'Joint Social Protection and Social Inclusion Report' under the 'streamlined' OMC in this field (see Section 2).

1.2. Pensions: a more prudent approach, leading to a 'partial' OMC

In this same period (2000–2004), and following a much lighter mandate from the Lisbon European Council,[12] the Pensions OMC followed a more prudent development path, leading to a provisional architecture which was only endorsed after the publication of several studies, a progress report and a Commission Communication on Safe and Sustainable Pensions (European Commission 2000). The initial agreement on the objectives and working methods of EU cooperation on pensions – politically rubberstamped by both the EPSCO and Economic and Financial Affairs (ECOFIN) Council formations under the Belgian Presidency in December 2001 – left many doubts about whether this particular OMC was meant as a cyclical process, or rather as a one-off exercise to be integrated later in existing coordination processes like the BEPG.

The preliminary architecture of the Pensions OMC encompassed 11 (rather general) common objectives, decided between the SPC and the Economic Policy Committee (EPC); 'National Strategy Reports' (rather than 'Action Plans') based on a common SPC-EPC outline; and Joint Reports on Pensions which were intensely negotiated (in 2001 and 2003) between the European Commission and the Member States. The 2003 Brussels European Council endorsed the second Joint Report and confirmed that the OMC was there to stay and not a one-shot exercise (European Council 2003: §49). Social Affairs Ministers thereby finally confirmed the EPSCO as the legitimate Council formation for dealing with the issue of pensions, while the 'economic' players (i.e. ECOFIN, the EPC and the Economic and Financial Committee, EFC), continued to assess pensions – and more broadly the challenges posed by ageing populations, including heath care (see Section 1.3) – from a financial sustainability perspective.

After 2.5 years of work in the SPC and especially its subgroup on indicators, agreement was reached in 2002 on a very limited number of indicators which were, in the words of the SPC, 'second-best measures of the success of current and future pension systems' (SPC 2002: 3). A meagre outcome compared to the 18 commonly agreed Laeken indicators on social exclusion agreed within a period of six months under the 2001 Belgian Presidency of the Council of the EU (for a discussion, see Marlier *et al*. 2007). Unsurprisingly, there was no reference to (or in fact even a discussion about) setting 'national targets' in the Pensions OMC. After completion of the first cycle of the OMC on pensions, the SPC maintained momentum by producing several studies, *inter alia* on 'promoting longer working lives' (SPC, 2004) and on 'Privately managed Pension Provision' (SPC 2005). The new Member States submitted their first National Strategic Reports on Pensions, and the old Member States their second ones, in July 2005. The analysis of these reports by the European

12. The Lisbon European Council did not explicitly refer to the OMC when considering pensions. Rather than immediately requiring the development of common objectives or targets (as was the case with social inclusion), it gave a mandate to the High-Level Working Party on Social Protection (the SPC's predecessor) to compile a study and a progress report on the future evolution of social protection, giving particular attention to the sustainability of pension systems.

Commission primarily served as input for the 2005 'Social Protection and Social Inclusion Report' under the streamlined OMC (see Section 2).[13]

1.3. Healthcare: European Commission activism and Member States' foot-dragging

Last but not least, the debate over the launch of EU cooperation on healthcare was launched neither by the Lisbon European Council[14] nor the Ministers for Health in the EPSCO Council: it was pushed onto the agenda by the European Commission, which creatively used the reference[15] to 'healthcare and care for the elderly' in the Conclusions of the Göteborg European Council (2001a) to seize ownership of this subject,[16] notably by issuing a Communication on the future of healthcare and care for the elderly (European Commission 2001). By doing so, the Commission successfully set the terms of the future EU healthcare debate at an early stage, defining its three components: balancing access, quality and financial sustainability. The Commission also managed to secure a mandate[17] from the Laeken European Council (2001b) to continue working on the topic, despite Member State reservations on discussing healthcare at EU level. Following a (very brief) initial report on healthcare and care for the elderly (drafted by the SPC and the EPC) at the beginning of 2002, work during 2002–2003 concentrated on gathering information and prudently exploring possibilities for mutual learning and cooperation, culminating in another SPC/EPC report.

Crucially, the Commission labelled its draft analyses of Member States' replies to a questionnaire issued in 2002 as a 'Proposal for a *Joint Report* on Healthcare and Care for the Elderly' (European Commission 2003a), thereby for the first time linking the report, in discursive terms, to the existing OMCs on social inclusion and pensions. Indeed, the term 'OMC' had not until then been mentioned once in any official document dealing with healthcare. The Joint Report was adopted by the ECOFIN and Social Affairs Council formations (Council of the European Union 2003), but not until the majority of references to individual Member States had been deleted from the text. While Member States accepted that a process of mutual learning and cooperation on healthcare should be continued, they set clear limits (including on developing indicators). This hesitation of the Member States was confirmed at the March 2004 Spring European Council, when they continued to block the Commission's proposal (European Commission 2004a: 26) to formally extend the OMC to healthcare, despite European Parliament insistence on doing just that (European Parliament 2004: §7).

13. For a further discussion of the pensions OMC, see Natali (2008) and Vanhercke (2009).
14. The Lisbon European Council Conclusions merely stated that social protection needs to be adapted to be able, amongst other things, to provide quality health services.
15. The European Council (2001a: §43) asked the Social Protection Committee and the Economic Policy Committee to 'prepare an initial report for the Spring 2002 European Council on orientations in the field of health care and care for the elderly'.
16. This in the absence of a request from the heads of state to do so or, for that matter, any reference to the OMC in this area
17. The precise wording of the mandate was carefully fine-tuned (over dinner) between the Belgian Presidency and officials from DG EMPL of the European Commission.

The formal decision to launch an 'OMC on Health and Long-term Care' was not taken until October 2004 (Council of the European Union 2004),[18] following another Commission proposal in April 2004 (European Commission 2004b). And even then, health ministers dragged their feet, making the new process subject to certain conditions[19] and failing to explicitly endorse the common objectives proposed by the Commission. The OMC on healthcare was thus launched without an agreed set of common objectives or an agreed reporting framework. Member States also insisted on taking stock of data already available from a range of sources, rather than on indicators to be developed. Member States submitted Preliminary National Reports (and not 'Action Plans' or 'Strategic Reports') in 2005. These reports would be used, first, to establish the common healthcare objectives in the future streamlined OMC and, second, for drafting the first Joint Report on Social Protection and Social Inclusion (see Section 2).

The wording accompanying the formal launch of the healthcare OMC was not, to put it mildly, the prose of newly enamoured partners. It rather reflected the fact that new governance methods for healthcare had indeed become attractive to Member States at approximately the same time as health ministers realized that the penalty for not taking action would be healthcare policy dictated by EU economic policymakers (notably the ECOFIN Council formation, DG ECFIN and the EPC) and progressively submitted to internal market law and extended in an unpredictable, case-by-case manner by the CJEU and DG Internal Market and Services. DG EMPL convinced health ministers that the planned streamlining of the social OMCs presented a window of opportunity to start 'occupying the healthcare territory', in the words of a former SPC Chair. It was helped in this endeavour by the publication of the draft Services in the Internal Market Directive (January 2004), which alerted health ministers throughout the EU to the fact that healthcare systems were not sheltered from the application of internal market rules (Baeten 2007).

2. Streamlining: rolling back *and* growing teeth for the Social OMC (2005–2006)

The post-Lisbon enthusiasm for policy cooperation through the OMC came to a rather abrupt end in 2004, when the High Level Group headed by Wim Kok assessed the overall Lisbon Strategy, coming to the conclusion that 'Lisbon is about everything and thus about nothing' (Kok 2004: 17), while the OMC 'has fallen far short of expectations' and therefore calls for 'a radical improvement of the process' (*ibid.*: 42). While the operational conclusions of the Kok report – including the supposed need for 'naming, shaming and faming' and the appointment nomination of a 'Mr or Mrs Lisbon' in every Member State – were largely dismissed by the European Council, the re-launched Lisbon II Strategy from 2005 onwards focused on 'jobs' and 'growth'. This implied largely discarding the social and environmental pillars of the initial strategy,[20] which Dehousse (2004) described as a 'galaxy' of initiatives,

18. This despite the EPC's resistance, as it had strong doubts about launching the process.
19. Stressing the need for flexibility, added value, subsidiarity and coherence, avoiding overlaps, etc.
20. In response to furious reactions from trade unions and socialist MEPs, who warned against dropping the social and environmental pillars during the Lisbon relaunch, Commission President Barroso explained that 'it is as if I have three children – the economy, our social agenda and the environment'. Like 'any modern father, if one of my children is sick, I am ready to drop everything and focus on him until he is back to health … but it does not mean I love the others any less' (EUobserver 2005).

'a label' or a 'meta-instrument', rather than a 'strategy'. The Broad Economic Policy Guidelines (BEPG) and Employment Guidelines were merged (or 'streamlined' in the EU jargon) into a single set of Integrated Guidelines. The important overhaul of the Lisbon Strategy effectively turned it into a meta-OMC, leading to the creation of new tools and techniques, including reporting on the Integrated Guidelines through new National Reform Programmes (NRPs), a simplification of the set of indicators and a more central role for the Commission's Secretariat General (SECGEN) in steering the strategy (Tholoniat 2010).

At the same time, while a wide range of OMC processes were being simplified and suppressed,[21] the European Commission decided to roll back the Social Inclusion, Pensions, and Health and Long-Term Care OMCs by moving them to the periphery of the Lisbon II Strategy. This rolling back went hand in hand with a second streamlining under Lisbon II: the decision was taken to merge these three separate OMCs into a single Social Protection and Social Inclusion OMC (henceforth 'Social OMC'), with three interconnected strands for each policy area. As explained in Section 1.3, the European Commission (2003b) streamlining proposal also provided for a strand on healthcare. The streamlining of the Social OMC was formally adopted in 2006: despite initial reticence, social affairs ministers finally toed the line, as this provided the prospect of increasing the critical weight of their pet process, notably *vis-à-vis* the EES and the BEPG. Member States were now tasked with translating the streamlined common objectives – containing both strand-specific and overarching objectives applying to all three strands[22] – into integrated National Reports on Strategies for Social Protection and Social Inclusion (rather than issue-specific action plans or strategic reports). Annual Joint Social Protection and Social Inclusion Reports replaced the earlier Joint Reports of the previously separate OMCs.

Unsurprisingly, below the surface of a streamlined Social OMC, many differences existed between the three strands (very visible in the first streamlined Joint Social Protection and Social Inclusion Report), reflecting their rather different characteristics and stages of development (see Section 1). The streamlining of the three strands created strong leverage on the pensions and healthcare strands over the years, bridging the gap to the social inclusion strand in terms of the precision of the common objectives, the quality of the indicators and, more generally, acceptance of European Commission involvement in sensitive policy areas (Vanhercke 2016). Perhaps ironically, the pensions and healthcare strands indeed started growing teeth in a similar way to the social inclusion strand due to this very streamlining.

At the same time, however, it should be recognised that the streamlined Social OMC had in practice been reduced to a process parallel to the revised Lisbon II Strategy, rather than being an integral part of it, as was formerly the case under Lisbon I, at least in the perception of social affairs players. On paper, a reciprocal relationship was created between the Integrated Guidelines for Growth and Jobs and the streamlined Social OMC, both at national and European levels. The Social OMC was indeed supposed to 'feed in' to

21. Formally abandoning the Social OMC would arguably have come at too high a cost, since it enjoyed wide support among social-democratic governments as well as EU social stakeholders.

22. For example, with the third overarching objective, Member States undertake to promote 'good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring' of their social inclusion, pensions, and healthcare and long-term care policies.

growth and employment objectives, while the latter supposedly 'fed out' to advance social cohesion goals. But in the absence of specific institutional mechanisms to ensure a mutually reinforcing interaction between the social, economic, and employment dimensions of the relaunched Lisbon Strategy, the practical effectiveness of such reciprocal feedback remained limited, with wide variations across Member States. Only a minority of Member States, for example, included social cohesion objectives in their NRPs, most of which made little cross-reference to the Social OMC. Nor was there much evidence under Lisbon II of explicit feeding out from the Integrated Guidelines and NRPs to the Social OMC (Zeitlin and Vanhercke 2018).

3. Capacity building: enhancing the OMC's learning tools in splendid isolation (2007–2009)[23]

In a context of splendid isolation, work within the three strands of the Social OMC in the years 2007–2009 (under the revised Lisbon Strategy) focused mainly on enhancing its toolbox through indicator development, mutual learning activities and funding stakeholder networks.

3.1. Indicator development and benchmarking

The OMC's original set of social inclusion indicators was developed in the context of the EU15 in 2001 (see Section 1). In 2004, ten new Member States joined the EU, with two further countries following in 2007, leading to a marked (downward) shift in the EU averages of several indicators. This meant that some indicators and basic concepts had to be reconsidered. One key example was 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, despite the fact that their general standard of living (and the absolute level of the relative poverty threshold) was actually quite low. This resulted in considerable political pressure to develop a more balanced picture of poverty to reflect both its relative and absolute dimension. Agreement was reached in 2009 on a material deprivation indicator, reflecting the share of persons with living conditions severely constrained by a lack of resources. This refining of measuring poverty was a vital step, notably in view of finding an agreement on an EU poverty and social exclusion target at the start under the Europe 2020 strategy in 2010 (Section 4).

After the midterm review of the Lisbon strategy in 2005 and the discussion over the implementation gap, the SPC's Indicators Sub-Group started working on input and output indicators (originally, the set of social inclusion indicators was exclusively outcome oriented) so as to facilitate analysis of the links between policies and policy instruments and outcomes (*which policies produce which outcomes*?), notably in the area of pensions. A 'national indicators' label was also developed in cases where a common definition had

23. This section largely draws on Lelie and Vanhercke (2013). I am grateful to my co-author for our inspiring exchanges over the years, which started roughly at the time of the emergence of the Social OMC.

been developed, but where harmonised data sources were missing or difficult to compare across countries due to major institutional differences. Important progress in the use of indicators was made during the thematic reporting years (i.e. years where there was no Joint Report). A key development was the child poverty report produced by a task force of the Indicators Sub-Group of the SPC 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[24] of Member States regarding child poverty outcomes, but also examined main causal factors: joblessness, in-work poverty and ineffective social transfers. The work on child poverty prepared the way for the forthcoming Commission initiative on a child guarantee (Section 6).

3.2. Improving the peer reviews

During this stage of Social OMC capacity building, Member States and the Commission started organising 8-10 peer reviews every year on specific issues relevant to social protection and social inclusion in the Member States (host countries) in the context of the PROGRamme for Employment and Social Solidarity (PROGRESS).[25] For these PROGRESS peer reviews,[26] a specific methodology has been developed over the years. This includes the writing of a discussion paper by the thematic expert (describing the policy under review and putting it in an international comparative perspective),[27] key questions for discussion, and comment papers written by peer countries and stakeholder networks. The meeting itself combines an *ex cathedra* introduction to the policy under review, followed by questions and answers and, often, a site visit or a more practical and interactive exchange between participants as well as lesson-drawing (discussion of pros and cons, room for improvement, transferability etc.). The Commission insists that the host country should provide monitoring and evaluation data 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.

In the same period, the European Commission and the SPC also dramatically changed the working methods of a second type of peer reviews organised by the SPC, for which it is important to distinguish between two waves. The early SPC peer reviews (organised before EU enlargement in 2004) on National Social Inclusion Plans took place during plenary sessions.[28] They did not generate much enthusiasm on the part of participants, to put it mildly. In fact, a lot of the criticism in the literature about OMC peer reviews seems to refer to these early reviews, which tended to lead to endless and frankly tedious meetings

24. A six-level scale is used, ranging from '+++' (the best performers) to '- - -' (the worst performers). The foreword to the child poverty report, signed by the SPC Chairperson and the Director-General of DG EMPL, indicates that 'Indicators have not been used to name and shame but to group countries according to the common challenges they face'. Ranking countries, although part and parcel of the Social OMC, remains a sensitive issue until the present day.

25. Two modalities of PROGRESS peer reviews can be distinguished: *good practice peer reviews and policy problem* or *policy reform peer reviews*.

26. A typical PROGRESS peer review is attended by 30-40 people. On average, seven or eight peer countries and two EU stakeholder networks participate.

27. In many cases, the host country also produces a host country paper.

28. With all SPC delegations present, i.e. with some 50 to 60 participants.

in which the full National Social Inclusion Plans of all Member States were presented one after the other, with nearly no time for discussion. Starting in 2005–2006, the streamlined Social OMC increasingly focused on key issues, allowing for more in-depth discussions during these SPC peer reviews. In the full reporting years (2006 and 2008), Member States were asked to present their policies on a limited number of strategic policy priorities in National Strategy Reports on Social Protection and Social Inclusion.[29] In between full reporting years, reporting was limited to one focus theme per strand ('thematic' years, or light reporting years)[30]. As a result, the SPC peer reviews have become more focused, with separate working groups on different themes (key topics), and are now known as 'in-depth reviews', which continue until the present day in the context of the Semester (Section 5).

3.3. Funding EU stakeholder networks

In order to give stakeholders a voice, but also with a view of creating a constituency for the EU's social dimension, the Commission has been providing funding, since the late 1990s, to European networks such as the European Anti-poverty Network (EAPN). As of 2007, EU stakeholder networks received core funding through PROGRESS.[31] 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 levels. 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 networks[32] specifically under the social inclusion theme. These networks covered themes such as the social economy, homelessness, children-in-poverty, social services, financial inclusion, and social inclusion policy in local government. Many of these civil society networks have organised their own benchmarking exercises and developed scorecards of their own, consulting their members on what governments are actually doing with regard to specific issues covered by the three strands of the Social OMC.

Through the development of indicators, the turn to in-depth SPC reviews and the launch of PROGRESS peer reviews, the SPC significantly increased its monitoring and mutual learning capacities in the years 2007–2009.[33] In parallel, the Commission had been actively promoting the development of a 'Social OMC community', regularly bringing together all these stakeholders in the context of conferences and seminars, but also in the context of peer reviews. Nevertheless, the Social OMC remained largely isolated from the EU's overarching economic strategy (Lisbon II).

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29. 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.

30. For example, in the area of social inclusion there have been thematic focuses on child poverty (2007); homelessness and housing exclusion (2009); and the social impact of the financial and economic crisis (2010). There has also been a multi-annual focus on active inclusion.

31. The PROGRESS Programme (2007–2013) was 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.

32. The networks are funded by the PROGRESS programme to varying degrees (principle of co-financing), ranging between a very modest proportion of total funding for large organisations such as CARITAS, and very significant means for networks such as EAPN or FEANTSA.

33. In parallel, EMCO became increasingly influential in monitoring and evaluating the implementation of the Integrated Guidelines in cooperation with EU economic policy players.

4. Marginalisation in the face of Europe 2020 and the Semester (2010–2011)

The initial design of the Europe 2020 Strategy – which replaced the Lisbon Strategy in 2010 and was designed as a European exit strategy from the global economic and financial crisis that started in 2008 – kept the promise to correct this situation of isolation of the Social OMC. At the time of its launch, it had a rather all-encompassing political agenda (to some extent, a return to the original Lisbon Strategy), attaching considerable visibility and importance to employment and social inclusion. More concretely, Europe 2020 was organised around three integrated pillars: a) macroeconomic surveillance (through the Macro-economic Imbalance Procedure, MIP); b) fiscal surveillance under the Stability and Growth Pact; and c) thematic coordination and structural reform (in areas such as innovation, research and development, employment, education and social inclusion).

'Thematic coordination' under the initial Europe 2020 Strategy combined EU priorities with EU headline targets as well as seven EU flagship initiatives. Thus, 'inclusive growth' was one of Europe 2020's key objectives. Thematic coordination was guided through four Integrated Guidelines on employment, including Guideline 10 on promoting social inclusion and combating poverty.[34] Following difficult discussions with the Member States, Commission President Barroso himself managed to convince the heads of states and government to accept the first-ever numerical EU poverty and social exclusion target,[35] i.e. to lift at least 20 million people out of the risk of poverty and exclusion by 2020, compared to 2008. The Europe 2020 flagships included 'An agenda for new skills and jobs' and the European Platform Against Poverty (EPAP).

While at the time of its launch in 2010 it seemed that employment and social issues in the Europe 2020 Strategy had some visibility, initial experiences under the European Semester, which effectively started in 2011 (in the midst of the global financial crisis), seemed to confirm critics' worst fears that the new integrated EU policy coordination framework would result in the subordination of social cohesion objectives to fiscal consolidation, budgetary austerity and welfare retrenchment imposed by economic policy players (Pochet 2010). This subordination was indeed striking in the first policy documents produced during the first cycle of the European Semester in 2011. In the Commission's first Annual Growth Survey (European Commission 2011:6), for instance, healthcare was regarded merely as a burden on government budgets, with reforms intended to balance the books.[36] Just as importantly, social policy was narrowed down to policy against poverty and social exclusion in the setup of the new strategy. Only three Country-specific Recommendations (CSRs), all directed at new Member States in Central and Eastern Europe, addressed issues of poverty and social inclusion, despite weak national targets, which the Commission acknowledged would not together meet the EU-wide target of lifting 20 million people out of poverty or social exclusion by 2020. As a result, these targets rapidly lost political significance. The National Reform Programmes, too, were largely focused on economic issues (Zeitlin and Vanhercke 2018).

34. The first six guidelines related to the economic policies of the Member States and the EU.
35. The EU poverty and social exclusion target is based on a combination of three indicators: the at-risk-of-poverty rate, the severe material deprivation rate, and the share of people living in (quasi-)jobless (i.e. very low work intensity) households.
36. Similarly, the early Semester texts treated education only as a public expenditure area to be controlled or cut.

At the same time, moreover, the Barroso II Commission effectively withdrew its support for the Social OMC as an autonomous process. Beginning in 2010, motivated by the ongoing financial crisis management and the need to 'stay focused', Member States were no longer formally requested to produce National Social Reports, while the Commission also withdrew from the production of the annual Joint Report on Social Protection and Social Inclusion. A key motivation in both cases was the insistence by the Commission, and particularly the SECGEN, that there should be no parallel policy coordination processes outside Europe 2020 – which one high-ranking Commission official called 'the only game in town' for Social Europe; and that social reporting at both national and EU level should be channelled exclusively through the procedures of the European Semester (Zeitlin and Vanhercke 2014).

Experience with the European Platform Against Poverty (EPAP), the Commission's social policy flagship under the new European Semester, was similarly unencouraging. High-level interviews confirm that the EPAP was 'landed' on social policy players – including DG EMPL and the SPC – without prior consultation in the final stage of designing Europe 2020 (DG EMPL interviews, June 2012). It was unclear at the outset whether the EPAP was intended to replace or supplement the Social OMC, and the long-delayed founding communication largely repackaged pre-existing activities and initiatives, rebranding for example the Roundtable on Poverty and Social Inclusion which had taken place every year since 2002 (see Section 1) as the EPAP 'Annual Convention'.[37] As a consequence, social players never really considered the EPAP as a strategic tool (others would say they failed to seize the EPAP window of opportunity). The EMCO-SPC (2019: 137) assessment of the Europe 2020 Strategy confirms that 'after an ambitious start, this initiative has lost its momentum and political relevance'.

In other words, the start of Europe 2020 and the European Semester coincided with the economic downturn and the dominance of Brussels-led austerity, obliterating the patiently developed view of social policy as a productive factor. This, in turn, sapped 'all the political energy away from social policy, with the Social OMC effectively going into abeyance' (Armstrong 2016: 34).[38]

5. Reinvigoration: the Social Protection Committee 'saves' its process – initial socialisation (2011–2014)

Against such a background, it is perhaps no surprise that the social affairs ministers of the Member States – endorsing an Opinion of the SPC, which showed a great deal of agency at the time – felt the need to boldly declare, in June 2011, that the 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 European Union 2011). The political objectives of the Social OMC were updated and reconfirmed,

37. After the mid-term review of the Europe 2020 Strategy, the Annual Convention of the EPAP became the 'Annual Convention on Inclusive Growth'. See Sabato and Vanhercke (2014) for an early assessment of the EPAP.

38. Dawson (2018: 195) goes even further and argues that 'the separate Open Method of Coordination for social inclusion … was abolished altogether'.

with social affairs ministers deciding that the method would continue aiming to have a decisive impact on the eradication of poverty and social exclusion; on the promotion of adequate and sustainable pensions; and on the organisation of accessible, high-quality and sustainable healthcare and long-term care in the Member States. At the same time, the EPSCO Council decided to continue regular strategic reporting (including through National Social Reports produced by most, but not all, Member States in 2012 and 2014), enhance mutual learning, strengthen analytical capacity (including the development of the common indicators) and improve stakeholders' involvement (SPC 2011a and 2011b). The SPC also took over responsibility for producing Annual 'Social Reports', a more political and reader friendlier replacement for the previous Joint Social Report (SPC 2013 and 2014) as well as thematic reports. This illustrates a key point made by Armstrong (2016: 39): 'it has been through the activities of the SPC that the Social OMC has been kept analytically operational'.

Social Affairs Ministers and the SPC, discretely but effectively supported by the Secretariat of the SPC, which is provided by DG EMPL, thus took primary responsibility for reviving the Social OMC. In doing so, they strategically confirmed its wide scope: the process would continue to cover not only social inclusion (as planned in the initial Semester cycle), but equally pensions and health- and long-term care. Elsewhere I have argued that, while Member States recognised the evident flaws of the OMC process, the majority decided they could not afford to lose it under the European Semester (Lelie and Vanhercke 2013). To be more precise: a broad coalition of Member States felt that, in the absence of the Social OMC's contribution in terms of analysis and consensus framing capacity, social affairs ministers would be deprived of the necessary tools to a) counterbalance the excessive focus on fiscal and economic considerations in the first cycle of the European Semester; b) tackle the whittling down of social policy to poverty and social exclusion policy; and c) evert the one-sided focus on social protection as a cost factor in the EU's discourse, in the initial cycles of the European Semester.

While the SPC's role in tracking the European Semester's social dimension has evolved by increasing its collaboration with the EMCO, it also builds substantially on the expertise of its own Indicators Sub-Group (ISG), which has developed an extensive portfolio of statistical indicators and data sources for monitoring the EU's common objectives across all three strands of the Social OMC (Barcevičius *et al*. 2014: chapters 2-3; Lelie and Vanhercke 2013). At the EPSCO Council's request, the EMCO and SPC have developed, beginning in 2011, a Europe 2020 Joint Assessment Framework (JAF) for monitoring the Employment Guidelines. The results produced by the JAF in turn feed into the Employment Performance Monitor (EPM) and Social Protection Performance Monitor (SPPM), developed by the two committees at the request of EPSCO and the European Council, in 2011 and 2012 respectively. Both monitors include visual representations of Member States' comparative performance against a portfolio of overarching and context indicators, along with detailed country profiles summarizing key challenges and good outcomes. The SPPM also highlights common longer-term social trends to watch, where indicators in a significant number of countries are seen to be moving in the wrong direction relative to the Europe 2020 targets and guidelines.

With the essential support of Commissioner Andor and his team, 'the Social Protection Committee was brought back into the governance mainstream of the European Semester in 2013 and was also given the opportunity to participate in the review of both the National Reform Programmes and the CSRs' (Copeland and Daly 2018: 11). From 2013 onwards, the country teams in DG Employment, Social Affairs and Inclusion were even made responsible for the first drafts of the social CSRs (*ibid.*: 12). In that same year, the SPC Indicators Sub-Group developed, in cooperation with the Council Working Party on Public Health at Senior Level (WPPHSL), a Joint Assessment Framework in the field of health (the discussion of which continues to this day in the SPC-ISG). In response to the debate on the 'Social Dimension of the EMU' initiated by the President of the European Council (2013), the SPC and EMCO furthermore developed – at the request of the Commission and the EPSCO Council – a Scoreboard of Key Social and Employment Indicators (intended to complement the JAF, EPM and SPPM) wich was used in the Joint Employment Report.

This extended social and employment policy monitoring has gone hand-in-hand with a significant intensification of multilateral surveillance and peer review within both the EMCO and SPC, in response to successive requests from the EPSCO Council: thus, in-depth thematic reviews and, interestingly, *ex ante* reviews of prospective social reforms were conducted by the SPC in 2013 and 2014. At the same time, the EMCO and SPC have also continued to organize an extensive programme of voluntary peer reviews of good national practices through the EES Mutual Learning Programme, PROGRESS and (since 2014) the new EU Programme for Employment and Social Innovation (EaSI).

The reinvigoration of the Social OMC thus proved a success. It is indeed remarkable that, in an environment so strongly defined by the economic crisis, the EMCO, the SPC and the DG EMPL were ultimately able to use the Europe 2020 mandate (including the poverty and social exclusion target) and the European Semester context to further intensify, as of 2011, mutual surveillance throughout the year, with a view to strengthening their own analytical toolbox and thereby their overall influence on the contents of the Country-specific Recommendations (CSRs) in the areas of employment, poverty, pensions and (to a lesser extent) healthcare and long-term care (Zeitlin and Vanhercke 2014). After having played a strictly limited role in the trial-and-error implementation of the first cycles of the European Semester, the SPC indeed established itself as a key player in monitoring, reviewing and assessing national reforms within the European Semester, alongside the EMCO, EPC, and EFC.

As a result, as the sovereign debt crisis within the Eurozone morphed into a broader economic and employment crisis, a significant rebalancing between social, economic, and employment objectives became visible in the policy orientation of successive European Semesters, a trend which Jonathan Zeitlin and myself coined as the 'socialisation' of the European Semester (Zeitlin and Vanhercke 2014 and 2018). Note that Copeland and Daly (2018: 2) argue that the socialisation of the Semester has been 'conditional and contingent', *inter alia* because 'EU social policy as enunciated through the CSRs is much more oriented to supporting market development than it is to correcting for market failures'.

6. Maturity: further socialising the Semester through the OMC toolbox (2015–2019)

In a speech to the European Parliament in October 2015, where Commission President-Elect Juncker enunciated his ambition for the EU to achieve a 'Social Triple A' rating, he stated that the Semester is not just an economic and financial process, but should necessarily take into account the social dimension, including in the CSRs (Juncker 2015). The new Commission promptly introduced a series of significant innovations to the organization of the Semester, including another round of streamlining.[39] The fact that, since the beginning of 2015, DG EMPL has been tasked with drafting the chapter on social and employment policy in the newly introduced Country Reports certainly contributed to the further socialisation of both the Semester's substantive policy content and its governance procedures, a fact which became increasingly visible in the 2016 cycle. For this exercise, DG EMPL could draw on substantial in-house policy and country expertise built up over the preceding years, as well as on key units dealing with labour market policy and training and skills which had been transferred, following a decision of the Juncker Commission, from DGs ECFIN and Education and Culture (EAC) respectively (Zeitlin and Vanhercke 2018).

In the course of 2015–2017, the Commission services, in close cooperation with the SPC-ISG working group, finalised the list of JAF health indicators and produced 28 country-specific analyses. In 2017 it was also agreed to include reporting on national developments in the field of social protection and social inclusion in the NRPs and to give social reporting an annual thematic focus (EMCO and SPC 2019: 76). It should be noted however that, in spite of this, the effectiveness of social reporting via the NRPs was recently questioned by the EMCO and SPC (2019: 87), *inter alia* because the scope for social reporting in the NRPs is much more limited than the common objectives of the Social OMC (*ibid.*: 147).

The official proclamation by the European Parliament, the EU leaders and the Commission[40] of Juncker's flagship initiative, the European Pillar of Social Rights,[41] can be seen as a true game-changer in that it effectively revamped the EU social policy agenda and further institutionalised the OMC as a policy instrument (Vanhercke *et al*. 2018). The strong pressure of the Juncker cabinet to immediately integrate the European Pillar of Social Rights in the ongoing cycle of the Semester (including the Employment Guidelines), gave further leverage to social affairs players, particularly in DG EMPL, to call for greater consideration of social and employment challenges in the Country Reports (CRs) and to continue developing the monitoring toolbox. Thus, the 2018 Joint Employment Report (JER) presented for the first time a new Social Scoreboard (replacing the 2013 social scoreboard referred to in Section 5) that monitors Member States' performance in relation to key principles of the European Pillar of Social Rights via 12 headline indicators. Based on their performance, the Member States are (visually) classified in seven groups: 'best performers', 'better than average', 'good but to monitor', 'on average/neutral', 'weak but improving', 'to watch' and 'critical situations'.

39. The Semester streamlining involved a) integrating the MIP In-Depth Reviews with the Staff Working Documents supporting the CSRs into a single Country Report; b) revising the timetable; and c) producing fewer, more strategic and less prescriptive CSRs (for a further discussion, see Zeitlin and Vanhercke 2018).
40. During the European Council's first-ever Social Summit, which took place in Gothenburg in November 2017.
41. President Juncker first announced the establishment of the Pillar in his September 2015 State of the Union Address.

The main new feature of the 2019 European Semester was the strengthening of the links between the Semester and EU funding.[42] In particular, the 2019 Country Reports contained a new Annex D on 'Investment Guidance on Cohesion Policy Funding 2021–2027'. This is a listing of issues and policy areas in which Member States are invited to step up their investment. The unwritten but clearly understood point is that Member States are expected to build their future structural fund-related[43] Operational Programmes around addressing these priority investment areas. Also of note is that, when the Commission signed a Memorandum of Understanding with Greece for a new stability support programme, it published, for the first time, an *ex-ante* social impact assessment of the new programme in August 2015 (European Commission 2015).

As a result of the prominence given to social challenges under the Juncker Commission, Corti (2020) found a further increase of 'social protection' and 'social investment' CSR's as well as a substantial drop in 'social retrenchment' recommendations during the 2018 and 2019 cycles of the Semester.

It should be noted that the OMC was put forward as one of the tools to be used in implementing the Council Recommendation[44] on access to social protection (Council of the European Union 2019), one of the first concrete results of the European Pillar of Social Rights: implementation 'should be discussed in the context of the multilateral surveillance tools in line with the European Semester and the Open Method of Coordination for Social Protection and Social Inclusion' (*ibid.*: §19).[45] The question of how the OMC's monitoring and learning tools should be adapted in view of the planned integration of the Sustainable Development Goals (SDGs) in the European Semester will be at the heart of the work in the EMCO and SPC in 2020.

Crucially, the Pillar of Social Rights has been fully embraced by the new President of the European Commission, Ursula von der Leyen: she asked the new Social Affairs Commissioner, Nicolas Schmit, to prepare an Action Plan by early 2021 to implement the Pillar (von der Leyen 2019; European Commission 2020c). The new European Commission's work programme for 2020 refers to a legal initiative on fair minimum wages for workers (European Commission 2020b). It also announces, by 2021, the set-up of a European Child Guarantee that would ensure access to basic rights for every child at risk of social exclusion, as well as a proposal for a European Unemployment Reinsurance Scheme. The European Commission (2020c) also announced, by the first quarter of 2020, a new European gender equality strategy. In addition, it cannot be ruled out that the von der Leyen Commission's prioritising of the impact of demographic change[46] (*ibid.*) may create new momentum for DG EMPL to step up OMC-type exchanges on long-term care (virtually non-existent to this day), a topic that has so far been largely dominated by DG ECFIN. A recent Synthesis Report

42. For a discussion of the interplay between the OMC and EU funding, see Verschraegen *et al.* (2011).
43. The European Regional and Development Fund, the European Social Fund Plus and the Cohesion Fund.
44. In a similar vein, the implementation of the European Commission (2008) Recommendation on the active inclusion of people excluded from the labour market, as well as the European Commission (2013) Recommendation on Investing in children, have been monitored in the context of the Social OMC.
45. More generally, the European Commission (2018a) considers that the European Semester of policy coordination provides an appropriate tool for monitoring progress in key areas covered by the European Pillar of Social Rights.
46. The European Commission (2020c) announced a Green Paper on ageing in the fourth quarter of 2020.

of the European Social Policy Network (ESPN) indeed concludes that Member States will continue to face significant long-term care system challenges, including a growing gap between the need for long-term care and the supply of care (Spasova *et al*. 2018).

Discussion and conclusions

This chapter has first of all shown that talking about 'the OMC' is, inevitably, an intellectual shortcut. Even among the three strands of the Social OMC, important differences come to the surface: the Social Inclusion, Pensions and Healthcare and Long-term Care OMCs followed different development timelines (a fast pace for social inclusion, a slower pace for pensions and even slower for healthcare), resulting in varying institutional architectures and degrees of 'bite' of the respective processes. They were also driven by different stakeholder configurations: social affairs ministers were calling the tune in the area of social inclusion, while health ministers dragged their feet in the field of healthcare, effectively leaving the political initiative to the Commission. Note an important absentee in the OMC story: the European Parliament. The strands were also created for very different reasons (for pensions and healthcare, 'occupying the territory' *vis-à-vis* economic players was a key motivation).

This chapter has also illustrated that the OMC is constantly being reinvented,[47] despite being constrained by past choices. Yet, as Armstrong (2016: 3) argues, 'it would be wrong to view the history of the OMC as a unidirectional phenomenon in which its deployment and salience simply increased over time'. Indeed, after an initial phase of experimenting, the strands of the Social OMC were streamlined into one overarching Social OMC in 2006 (allowing the healthcare OMC to be launched, despite Member States' resistance). This was to a large extent side-lined under the revised Lisbon Strategy (a period used to enhance the OMC monitoring and learning toolbox), further marginalised at the start of the Europe 2020 Strategy only to be reinvigorated in 2011 (thanks to the agency of the SPC), and finally reached maturity under the European Semester, which it helped to 'socialise'. Dawson (2018: 207), however, points to an important paradox in the socialisation thesis: it 'hopes to rescue the European Semester by capturing its processes for social voices. What, though, of the danger that social voices are themselves captured, or "socialised into" the Semester's wider logic of competitiveness and market fitness?'

The OMC seems to be coping with what Tholoniat (2010) calls the 'soft law dilemma': on the one hand, the OMC has to sustain policy activism at the highest EU political level in order to supply the EU agenda. On the other, it needs to ensure a sufficient degree of institutional predictability to permit effective implementation. The drivers of the process, which have varied over time, have indeed creatively adapted (at times reinvented) the procedural routines to changing political circumstances (for example, the revision of the Lisbon Strategy under the Barroso Commission). Member State representatives in the EMCO and SPC have exploited the institutional *acquis* and flexibility of the Social OMC as a

47. Mark Dawson (2018: 194) argues that the Social OMC is 'a candidate for the most altered and tinkered-with EU policy process in history', while Tholoniat (2010: 112) refers to 'inventing and reinventing' the 'OMC wheel' and Armstrong (2016) refers to 'a form of governance that has been in constant flux since its inception'.

voluntary process to introduce – at a time when the process had been side-lined for several years and even risked being abandoned – new social reporting initiatives at both national and EU level, including the in-depth reviews and the launch of an innovative programme of *ex-ante* peer reviews of major social reforms (on the peer pressure mechanism in European Semester, see Louvaris 2018). In doing so, the social players have acquired an increasingly influential position within the European Semester, fully incorporating the OMC toolbox. The most recent step is the use of the OMC in the implementation of the Pillar (notably the Council Recommendation on access to social protection) and the ongoing debate about the adaptation of the monitoring tools in view of the planned integration of the SDGs in the European Semester (European Commission 2020b). Contrary to most predictions, it would thus seem that social policy coordination has shown to be obstinate, rather than obsolete (Armstrong 2016).

This chapter has shown that the OMC is not simply 'here to stay', i.e. existing on paper merely because it is difficult to abolish.[48] Indeed, the Social OMC has been institutionalized at national and EU levels in ways that may not even have been expected. The OMC has become a template for EU, domestic and even regional policy coordination in sensitive policy areas, and for achieving better practices in the absence of centralized policy regimes (see Greer and Vanhercke 2010 and Vanhercke 2014 for a more detailed discussion); the OMC has become linked to various EU policy instruments such as legislation and EU funds, while becoming a trusted resource – amongst others – for a variety of domestic and EU players. As a result, the OMC is doing considerably more than staying around: new governance instruments sooner or later refer to the OMC as a goal to attain. Academic scholars recently argued that the OMC would be the appropriate vehicle for promoting business and human rights[49] (Augenstein *et al.* 2018) and could usefully be applied to the EU's common security and defence policy (Sweeny and Winn 2017). It should be noted that the OMC continues to operate as a stand-alone governance process in a variety of other policy areas, including education and training (Council of the European Union 2009), culture (European Commission 2018b), youth (European Commission 2018c), aquaculture (European Commission 2019) and even (be it in disguise) in tax policy (Radaelli 2003).

Rather than abandoning legislative responses, EU institutions pursue these more traditional modes of implementation and enforcement alongside the array of governance mechanisms available to them. In spite of a Cambrian explosion of new forms of governance (Sabel and Zeitlin 2008), there is 'no apparent loss of appetite for the adoption of substantive and detailed legislative acts including the use of directly applicable regulations' (Armstrong 2016: 253; for a different view, see Tricart, this volume). The recent legislative initiatives in the wake of the EPSR (for a discussion, see Clauwaert 2018) and the announced legislative initiatives in the new Commission's work programme (on a fair minimum wage, the Child Guarantee and a European Unemployment Reinsurance Scheme) seem to confirm this claim.

The discussion over soft versus hard modes of governance is in need of nuance: scholars like Trubek and Trubek (2007) were among the first to point to the increased dependence

48. Commission civil servants informally confirm that scenarios abandoning the various OMC processes circulated at the time of the preparation of the 2005 Spring European Council.
49. In view of implementing the United Nations (UN) guiding principles in this area.

or even hybridization of existing policy instruments, which can no longer be neatly separated. Graziano and Halpern (2016: 13) argue that the pressures of the crisis blurred the boundaries even more between soft- and hard-law EU governance mechanisms. The enhanced linkages between the Semester priorities and EU funding (through the new Annex D of the Country Reports; see Section 6) further illustrate this point. Armstrong (2016:13) provides several illustrations of how 'OMC processes may be harnessed towards the ends of elaborating and monitoring the application of binding legal instruments'. Taken together, these examples call for a nuanced discussion about hard law and new governance in the EU: future assessments of the impact of the OMC need to acknowledge instrument hybridity.

Elsewhere I discussed how a soft process, whose architecture has been found wanting by much of the academic literature, can plausibly impact hard social policies. This is because the OMC's tools have been more hybrid (links with other policy instruments), diversified (variety of existing tools) and dynamic (constant innovation of instruments) than generally acknowledged; in some cases, OMC tools have been creatively appropriated by stakeholders and have created cumulative effects (through combining different OMC instruments), while at the same time gaining more bite (exerting considerable pressure) and becoming more open to different players (leading to capillary effects outside the OMC inner circle) than is generally assumed. This explains why – in spite of overwhelmingly sceptical academic accounts and repeated attempts to weaken the process – 20 years after its formal launch, the OMC continues to appeal to EU and domestic players: it is seen as an instrument with an added value in at least two respects: a) the OMC's so-called 'soft' tools are being used by policymakers and stakeholders alike to assess key phases of the hard policy development process; and b) under certain conditions and in certain countries, the OMC operates as a catalyst or selective amplifier for reform strategies, as a consequence having both substantive and procedural effects on domestic and EU policymaking.

At the end of the day, it is not the hardness or softness of the OMC (with its recommendations, national reports, indicators) that matters, but its capacity to stimulate policy learning and especially creative appropriation and leverage by European, national and sub-national stakeholders.

For the OMC to stay relevant under the EU's next overarching strategy (post-Europe 2020), a clear political affirmation of its overall objectives, also in relation to the European Pillar of Social Rights, may be warranted. At the same time, this should not lead to nostalgic reflections about the 'return to autonomy', as was the case under Lisbon I: while it 'carries the hope of rescuing Social Europe from the unfriendly discourse into which it must now fit', such a return also presents the 'risk of marginalisation and political irrelevance' (Dawson 2018). Put differently: becoming again a closed conversation of social policy players increasingly ignored by the EU's main centre of political gravity, oriented around the Eurozone (*ibid.*: 208). Only as an integral part of the post-Europe 2020 Strategy can the Social OMC maintain its influence: promoting upward social convergence and ultimately supplementing and counterbalancing budgetary and macro-economic coordination. The recently launched 'economic governance review' (European Commission 2020a) perhaps provides a window of opportunity in this respect. With the solid backing of the European Pillar of Social Rights, social players may have a real opportunity to further socialise the next EU grand strategy.

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