

Open Method of Coordination

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Open Method of Coordination Report

Overview

The goal of this project was to investigate a method that would allow Local Immigration Partnership plans and programs to be assessed in a detailed, inclusive and coordinated way. The Open Method of Coordination was developed – and is being used - by the European Union (EU) to assess and improve anti-poverty and social inclusion programs. The method revolves around instituting and managing a feedback process for assessing and disseminating promising practices and institutionalizing learning. In the Canadian context, OMC can become the basis of a model that Citizenship and Immigration Canada - Ontario Region could use to assess the overall LIP initiative.

Investigating the Open Method of Coordination

To learn more about OMC, an extensive literature review was conducted including reading:

- EU official documents and websites about the OMC
- a sample of OMC evaluations
- reviews of OMC by non-governmental organizations
- reviews by academics

After the literature review, interviews were conducted with participants and observers of OMC. It was important to get differing perspectives of OMC, including government, NGOs and academia. Thus, the following experts were interviewed:

- Arto Koho, Ministerial Adviser, Finland's Ministry of Social Affairs & Health. He is a member of the OMC Social Indicators sub-committee. He was recommended by Carin Lindqvist-Virtanen, OMC subcommittee chair and Deputy Director General of Finland's Ministry of Social Affairs & Health.
- Sian Jones, Policy Coordinator of the European Anti-poverty Network (Brussels). She is a civil society participant in OMC.
- Mark Dawson, Professor of European Law and Governance, Hertie School of Governance (Berlin). He is an academic studying the effectiveness of OMC and EU soft governance approaches.

Basics of Open Method of Coordination

OMC was created specifically to coordinate policy development and service delivery when a multi-party regime is used and asymmetric social, economic and institutional conditions exist among parties. The asymmetry results from the presence of different jurisdictions and rules. The analogy translates to Canada in the form of federal, provincial and municipal jurisdictions coupled with different ministry rules, eligibilities and priorities for a variety of immigrant and non-immigrant populations. EU member states have different internal conditions, jurisdictional dynamics and laws. The challenge was to coordinate policies and services in such a context.

At a summit in Lisbon in 2000, OMC was adopted by EU heads of state as a method to help member states define, implement and evaluate their social policies that fall within the jurisdiction of member states (e.g., social protection, social inclusion, poverty reduction, health care access). Many economic policies are legislated by the European

Commission and European Parliament. However, most social policies remain the purview and responsibility of member states.

OMC is a voluntary self-evaluation process that allows European member states to cooperate so their national social policies can be directed to common objectives. Using the OMC method, member states jointly identify and define objectives to be achieved, establish measuring instruments (i.e. statistics, indicators, guidelines), compare the performance of member states and exchange best practices. The process is open because civil society groups play an active role with member states and the European Commission in the OMC process.

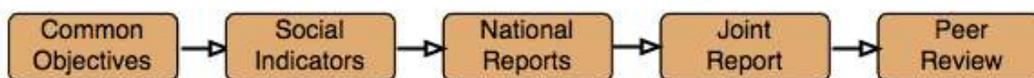
OMC is a soft governance framework. Cooperation among nation states is voluntary and harmonizing policies and services is not forced. OMC enables member states to cooperate closely but still allows for recognizing their diversity. The effectiveness of OMC depends on how committed members are to the process, on the perceived value and utility of OMC, on peer pressure and on public support. The common objectives agreed to during the OMC process are not legally binding. A member state does not face punitive measures if OMC objectives are not met. The European Parliament, Council of Ministers and European Court of Justice play little role in the OMC process, unlike economic policies. Indeed OMC was created to coordinate social policy and complement the 2000 Lisbon Strategy for economic growth and jobs, where EU institutions and laws align economic policies.

OMC is also aimed at sharing best practices and using best practice knowledge to drive collaboration. As such, OMC provides a framework for mutual learning, creating exchanges around experiences and good practices by involving all stakeholders in the process of preparing, implementing and evaluating action plans in the field of, for example, poverty reduction and social inclusion.

In 2008, the European Commission renewed its commitment to the Open Method of Coordination for social protection and social inclusion policies.

How OMC works

The OMC process was originally structured in three-year cycles. This has now been modified to two or three year cycles, depending on the social policies being coordinated. In the original three-year version, the first year was the full reporting year, with year two and three being devoted to the analysis of particular themes. The reports are just one step in the process. Generally, OMC involves five important stages:



- Council of Ministers agrees to very broad common objectives for social policies
- Member states and the EU agree on indicators based on the common objectives
- Member states produce national strategic reports
- European Commission and Council of Ministers combine national reports into a joint report

- Member states engage in a peer review process to compare plans and performance, and exchange best practices

Common Objectives

The European Council of Ministers establishes common objectives. These are high-level priorities where processes are not specifically identified. For example, the European Council established the following common objectives in the social domain of fighting poverty and increasing social inclusion:

- increase access for all to the resources, rights and services needed for participation in society
- prevent and address exclusion
- fight all forms of discrimination leading to exclusion
- promote participation in the labour market
- involve all levels of government and relevant actors, including people experiencing poverty, in social inclusion policies

These objectives are fairly open-ended statements with no policies or metrics associated with any objective. To achieve these objectives in social policy, the European Council created a Committee on Social Protection. The Committee is tasked with trying to meet these common objectives by promoting cooperation between the member states and the European Commission in a given social policy area.

The Committee plays an advisory role to the EU. It consists of a minimum of two representatives from each of the 27 EU member states and two representatives from the European Commission. In practice, most member states had three and sometimes four representatives on the Social Protection Committee. This Committee is the hub of the OMC process. It:

- liaises with non-governmental organizations and social policy groups
- monitors the development of policies by member states in a given topic area
- facilitates exchanges of information, resources, experiences and promising practice
- prepares reports and provides opinion pieces

This work of the Committee is mainly directed towards meeting EU objectives. Its work is done at the request of the Council of Ministers or the European Commission.

Developing indicators

Using indicators is a key component of OMC. Indicators are used to monitor progress towards commonly agreed objectives. The national reports use these indicators, as do the Council of Ministers and the European Commission in their joint report.

An Indicators Sub-Group agrees on common indicators. “The Indicators' Sub-Group of the Social Protection Committee was created in 2001. It is responsible for formulating and defining indicators to be used for monitoring countries' progress towards the commonly agreed objectives. It underpins the OMC in relation to social inclusion, pensions, health and long-term care.”

The sub-group has a chair and a representative from each of the 27 member states. Members of this sub-group are mainly from the social policy area, (e.g. the Social Protection Committee). The Indicators Sub-Group relies on a consensual approach for developing indicators on a given social domain. The sub-group agrees on a typology of

indicators that distinguishes between those that can be used directly for benchmarking, and those that can only be used to monitor progress within a single country. The criteria employed in the selection of indicators include:

- data comparability based on sound EU harmonized data,
- policy responsiveness
- clear normative interpretation
- a focus on outcomes

Arto Koho, of the indicators sub-group, pointed out that for some topics, the indicators adopted are the commonly used indicators, for example in the area of Social Inclusion. These are often refined in order to focus on particular dimensions of a social policy. For example, for social inclusion, the indicators that are used include an at-risk-of-poverty rate, a measure of the relative median poverty risk gap, a healthy life expectancy measure, and an early school leavers measure. Many times the indicators exist but deciding on the basket of appropriate indicators for a given social policy becomes the task of the Indicators Sub-group. When a new indicator needs to be developed, indicator specialists from Eurostat, the EU's statistical research body, provides expertise to the Indicators Sub-Group. Eurostat also calculates and updates the indicators.

An EU level analysis of indicators is carried out by the Commission and discussed with the sub-group. These are then made available to member states before they prepare their national reports on Social Protection and Social Inclusion. As indicators are dynamic and key, the European Commission broadly reviews all indicators every three years, when full national reports are submitted. They also review specific indicators on a given topic during years when thematic topics are the focus (e.g. child poverty, working longer, health inequalities).

The sub-group also helps the EU to improve its capacity to gather relevant statistics, including developing appropriate surveys, undertaking “analytical work on the basis of the agreed indicators and developing analytical frameworks in support of the policy reviews conducted by the SPC. In-depth reviews have also been conducted through ad-hoc task forces” made up of members of the sub-group. The indicators group has also encouraged the use of other techniques for information collection, including site visits and, of course, consultations with civil society groups.

Creating National Reports

EU member states submit a report on a given topic in year one of the three-year cycle. These are supposed to be concise reports that are strategic, set priorities and identify policies. Member states have informally agreed to use a common format for the reports. All EU OMC reports include certain topics (e.g. health inequalities), cover a certain time span (usually two years), are about the same length (e.g. 40 pages) and include the following sections:

- a common overview
 - assessment of the situation
 - overall strategic approach
 - overarching message
- a national action plan that includes
 - key challenges
 - rationale for 3 to 4 main policy objectives
 - setting of quantitative targets
- priority policy objectives

- governance arrangements, including policy coordination, involved actors, plans for mainstreaming all relevant policies,
- monitoring and evaluation arrangements

Appendices are encouraged for other topics, particularly for identifying good practices, and implementation plans. The hope is that this common format will increase usefulness and comparability of member state reports. Detailed guidelines can be found at: <http://foruminclusao.no.sapo.pt/Comiss.pdf>

Joint Reports

The European Commission and the European Council of Ministers assesses and synthesizes the national reports into one joint report. The Commission then produces a report that summarizes the main issues and trends in a social policy area and identifies good practices. The joint report also includes a summary for each EU member state and a discussion of how well OMC is being implemented. An example of the joint report format can be found at:

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

Peer Review

The peer review process is a critical part of the learning that takes place via OMC. The Peer Review program is a process for discovering and exchanging experiences and good practices at a member state level, and for exploring the applicability of these experiences and practices in other contexts.

The peer review starts with forming teams of experts. The expertise and authority of the peer review team is critical to the success of the process. Countries usually nominate their own experts to participate in the peer review. Not all countries are involved in a peer review. Countries are matched as peers on a given topic. A smaller number of member states, around eight, can be adequate and, indeed, enhance the peer review dynamic. However, the EU is usually involved with all peer review forums. Additionally, a number of carefully chosen civil society organizations (e.g. the European Anti-Poverty Network) may also participate in the peer assessment process (depending on their capacity).

Member states share copies of their report or policy with others on the peer review team. This is done ahead of the peer review meeting where team members gather to assess, in detail, specific approaches by member countries. They may also undertake information gathering during the forum. For example, Ireland hosted a peer review forum in 2007 that included a site visit and a community forum which 200-300 people attended including “people who are themselves experiencing poverty, organizations representing these people, representatives of bodies coordinating service delivery at [the] local level, officials from local and national government, including senior policy makers from government departments and members of the research community.”

The entire peer review team also attended the forum in order to:

- obtain first-hand experience of Ireland’s community forums on social inclusion
- assess the importance and impact of the forum
- assess its relevance for other peer countries
- share experiences from peer countries that could benefit Ireland

Often these forums will result in a report about the policy or report being reviewed. An example of a short peer review report is contained in Appendix 1. The results of this review are shared with all EU member countries, not just those on the peer review team.

The table below gives an indication of how some peer reviews are conducted, the topics, the span of time over which they operate, and the membership of the review teams. It includes all OMC peer reviews conducted in 2010.

Date	Host	Topic	Peer Countries
27. - 28.5. 2010	Hungary	Promoting social inclusion of children in a disadvantaged rural environment - the micro-region of Szécsény'	Croatia - Czech Republic - Italy - Portugal - Serbia - United Kingdom
29. - 30.6. 2010	Romania	Achieving excellence in social service provision	Belgium - Croatia - Estonia - Lithuania
7. - 8.10. 2010	Spain	The Programme for developing local plans for social inclusion in Catalonia	Bulgaria - Czech Republic - Latvia - Norway - Romania - Serbia - The Netherlands
18. - 19.10. 2010	Germany	Achieving quality long-term care in residential facilities	Austria - Cyprus - Czech Republic - Estonia - Finland - France - Luxembourg - Spain - Sweden
4. - 5.11. 2010	Portugal	Building a comprehensive and participative strategy on homelessness	Denmark - Finland - Hungary - Ireland - Poland - Serbia - Spain
18. - 19.11. 2010	Norway	Making a success of integrating immigrants into the labour market	Austria - Finland - Greece - Italy - Latvia - Malta
26.11. 2010	Belgium	Using Reference Budgets for drawing up the requirements of a minimum income scheme and assessing adequacy	Austria - Cyprus - Finland - France - Ireland - Italy - Luxembourg - Sweden
2. - 3.12.2010	Finland	The Finnish National Programme to reduce long-term homelessness	Bulgaria - France - Hungary - Latvia - Norway - Portugal - Slovenia - Sweden - The Netherlands
18. - 19.1.2011	United Kingdom	A good place to grow older	Cyprus - Denmark - Finland - Hungary - Romania - Spain

The peer reviews are designed to lead member states to change their processes as a result of what they learn and to adapt their programs based on the assessments that are conducted.

Perspectives on OMC

OMC has had many successes. It has been very well received by civil society organizations. Sian Jones of the European Anti-Poverty Network indicated that most non-governmental organizations were happy with the method as it allows them to be much more involved in policy and program conversations at the member state level.

The consultation process at the member state level really fostered a sense of ownership and buy-in by civil society groups for certain social policy issues. Furthermore, some countries were forced to develop consultation processes where they may not have had much experience. In this sense, OMC helped promote the creation of democratic institutions and processes where they were perhaps fledgling (like Romania or Slovakia).

OMC was well received by the EU. Mark Dawson suggested that the EU liked OMC as it allowed the EU to 'get its foot in the door' in an area which was really reserved for national policy. A key part of this, he contends, has been the ability of the EU to get

member states to participate in and to accept indicators on social policies. Member states may not use all indicators in their national reports; but they agree that the information is important and in most cases started to employ the measures.

The development and use of indicators and resulting data has been especially useful for member states. Even those that do not use the data in their reports will often make bilateral comparisons (e.g. how are we doing on addressing homelessness compared to Spain). Agreeing to the use of indicators has also helped develop the statistics and research capacity in some smaller member states with more limited data resources (e.g. Malta, Cyprus). The data collected has also been valuable at the EU level. Overall, the existence, acceptance and use of indicators has been a key component of the OMC and an important part of its suasion powers.

Ostensibly, the power of OMC is based (in part) on the method's ability to "name and shame". One should be able to say "look how much more poorly Italy is doing compared to Poland on healthcare inequality". However, in reality, this is not the case. Arto Koho indicated that even in the peer review process, people are hesitant to be too critical. He suggested that an immense amount is learned during the peer review exchanges. But people are generally restrained in their comments about another country's policies and programs. The naming and shaming goal of OMC does not occur.

Mark Dawson suggests this is indicative of an incentives problem within OMC. OMC is by definition a 'soft law' and the program operates in areas of national, not EU jurisdiction. Consequently, countries cannot be required to adopt OMC recommendations or, indeed, to accept the objectives ascribed to them or even to use the indicators that are agreed to at the European level. This diminishes the value of OMC.

Yet despite this, Dawson points out that OMC and other soft law governance models are increasing in the EU. It is seen as important to continue having these conversations and information exchange avenues. He points out this is still the case, despite the Euro crisis, where many are saying more rigid "hard laws" need to be legislated.

Many critics point out that it is unclear if OMC has led to policy changes at member state level. However, Sian Jones points out that OMC has been very important for consensus building and agenda setting. She cited the fact that child poverty was a social policy focus in the United Kingdom in the early 2000s but not in most other EU member states. According to Jones, it is now on the agenda of most of these states, mainly because of the constant information exchange and learning that is promoted by OMC.

Next steps

Our analysis of the open method of coordination has concentrated on obtaining a detailed description of the process. In particular, we sought to understand the mechanics of the process and how different components operate and fit together. These components include the initial OMC process of developing indicators, writing reports and peer review. We have also identified practical and theoretical limitations associated with the open method design and have indicated how these affect partner support and participation in the analysis and implementation of recommendations. These limitations

would have implications for the transference of OMC methods within any multi-partner regime, including the LIPs, that must rely on suasion and evidence to build consensus.

Depending on the reactions that the report elicits from Ontario Region, from the LIPs, and from key local partners such as municipalities, our future work would seek to develop a more precise set of recommendations for steps that could be followed to implement a modified OMC process in Ontario. In developing these recommendations, we would mine additional material from our interviews with key European officials as well as work that the WCI has undertaken with regard to the settlement sector and municipal participation in the LIPs.