

The Open Method of Coordination

The EU response to the 2008 economic crisis, which has exposed the weaknesses of the EU economic governance of the time, has resulted in a debate on how to find a balance between intergovernmentalism and supranational actions within the EU framework, bringing into question further use of soft intergovernmental methods, such as the Open Method of Coordination (OMC). In addition to that, with social and education issues increasingly gaining attention in the EU, OMC, one of the governance instruments available for addressing such issues, has again found itself the focus of attention of policy-makers. The European Parliament has also addressed the topic, criticising the method and advising how to improve it, but also being open to using it in some policy areas on condition that it is improved. However, there are policy areas in which the Parliament has discouraged the use of OMC. MEPs also occasionally express concern in written questions to the European Commission about developments in those policy areas where OMC does apply.

Definition

The Open Method of Coordination (OMC) is an EU policy-making process, or regulatory instrument, formally initiated by the Lisbon European Council in [2000](#). The OMC does not result in EU legislation, but is a method of soft governance which aims to spread best practice and achieve convergence towards EU goals in those policy areas which fall under the partial or full competence of Member States. Since binding EU rules cannot be used as the means to achieve convergence among Member States in such cases, OMC relies on other mechanisms. These mechanisms involve establishing guidelines, quantitative and qualitative indicators and benchmarks, and national and regional targets, backed by periodic evaluations and peer reviews. The evaluations are aimed at helping Member States learn from one another and consequently improve their domestic policies. However, 'peer pressure' and 'naming and shaming' are terms often used to describe this process of learning and improvement, and these may hint at processes of greater weight than the apparently 'soft' nature of the governance implies.

The origin and evolution of OMC

The OMC is a relatively new instrument of governance in the European Union. Even though the term was coined in 2000, the method dates back somewhat [further](#), to the 1992 Maastricht Treaty where a similar type of governance was used in economic coordination (with the Broad Economic Policy Guidelines, or BEPGs), and also to the 1997 Amsterdam Treaty where it was used in employment policy (the so-called Luxembourg process or European Employment Strategy – EES). The OMC has not been established as a universal method of coordination in the Treaties, but several provisions in the TFEU refer to it in substance, without naming it as such (Articles 149: employment, 153 and 156: social policy, 168: health policy, 173: industry, 181: research and technology).

The reason for the formal introduction of OMC in 2000 was to identify and promote effective social policies. This form of EU governance in these policy areas was considered least intrusive by the Member States. With the evolution of the EU's priorities over subsequent years, the OMC underwent an evolution of its own. The method was streamlined and turned into a [single Social OMC](#) in 2005, which was revised and reinforced in the following years, especially with the Renewed Social Agenda, which required that the social impact of all European policies be taken into account. After [2010](#), the role of the EU was expanded because Member States were then required to report on their progress in achieving Europe 2020's social goals, and because the Commission and the Council now have the competence within the European Semester to make country-specific recommendations to individual Member States' governments.

Policy areas

Even though the OMC was introduced for a specific policy area, its use spread into other EU policy areas and even beyond the EU (e.g. the Bologna Process in higher education). Some [authors](#) argue that OMC differs so much depending on the policy area that it would be more accurate to talk about 'OMCs', rather than a single OMC. There were already as many as [13 different OMCs](#) in the EU in 2007. They covered a variety of policy areas, such as the aforementioned BEPG and the EES (with a legal basis within the Treaties), and other areas such as modernisation of social protection, social inclusion, pensions and healthcare, innovation, research and development, education, information society, environment, immigration, and enterprise. These OMCs vary in their strength, duration, compliance mechanisms and other features, but are all identified as such. The procedures and the level of involvement of EU institutions also differ.

OMC procedure

Even though there are differences between OMCs depending on the policy area concerned, some principles and procedures remain constant in the EU. The Council is usually the first to set policy goals, which are then applied in Member States according to their understanding of them and their needs. This implementation is evaluated against benchmarks and indicators which have been agreed among the participants in the process. In the end, the results of these comparisons and measurements are evaluated and compared, with best practices among Member States being shared and applied at that time. The results of the evaluations are not explicitly binding for Member States, but there is an element of peer pressure in the OMC which may provoke Member States into action when they would not have acted on these issues of their own accord. The [role](#) of the European Parliament in this process is seen to be very limited and mostly confined to giving advice, while the Commission's role is limited as well to mere monitoring and surveillance.

Evaluation and criticism

After initial enthusiasm in the late 1990s, analysts of the OMC have become increasingly critical, with doubts emerging about its [effectiveness](#) due to its political irrelevance at national level and a lack of control mechanisms. For example, [experts](#) claim that OMC has become an important part of the policy making process in social inclusion issues in only a quarter of the countries examined. OMC is also criticised at EU level, where it can be perceived as a threat to the Community method. Another common criticism of OMC is aimed at its problematic relationship with those policy areas which are the competence of Member States and where EU involvement via OMC is sometimes perceived as covert intrusion.

The European Parliament in particular has been concerned about the democratic legitimacy of the OMC. As the EU institution that is directly elected by EU citizens, it has called to become more involved in the OMC in order to make it more democratic. Its [2003](#) resolution on the application of the Open Method of Coordination called for the OMC to be introduced into even more areas, but it warned against the OMC becoming a non-transparent and subversive parallel procedure in the EU. The [2007](#) resolution on the use of soft law goes even further and calls OMC 'legally dubious' because of insufficient parliamentary and judicial involvement and warns against using it in lieu of Community legislation where the Treaties do not allow this. In its [2010](#) resolution on economic governance, the Parliament even called for an end to reliance on OMC in economic policy. However, the Parliament has not opposed the OMC where its use does not undermine the EU competences and thus the community method. In its [2011](#) resolution on social services of general interest, it views positively the application of OMC in the European Voluntary Quality Framework. Likewise, the [2013](#) Regulation on common fisheries policy, adopted in codecision with the Council, relies on the use of OMC in the exchange of information and best practice among Member States in aquaculture.

The European Economic and Social Committee (EESC) has also been critical of the OMC. According to its [2011](#) Opinion on 'The Open Method of Coordination and the social clause in the context of Europe 2020', OMC is ineffective and invisible at national level. In spite of that, the EESC has been interested in expanding the method into other policy areas (e.g. health, demographic challenges, youth policy), as well as strengthening it in existing areas, in order to make sure that these policy areas do not lose their importance, with regard, for example, to social inclusion and protection.

OMC's future is thus at this point uncertain. Recent criticisms point to its abandonment in the future, but it may be too early to make such a sweeping prognosis, especially because OMC is applied in different policy areas. It is more probable though that it will survive in those policy areas where it does not threaten the community method and after improvements have been made to those elements construed as problematic.