Governance and the shift towards a knowledge-based society:
the Open Method of Coordination

Rik de Ruiter
Research Student Department of Social and Political science
European University Institute
Florence, Italy

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Abstract

The choice for the Open Method of Coordination (OMC) and the development of its infrastructure are points that are not often addressed in the literature. Moreover, scholarly attention focuses mainly on the European Employment Strategy and the OMC social inclusion. This paper aims at explaining the choice for the OMC education and the development of its infrastructure. To assess the relative importance of the factors that can explain the development of the infrastructure of the OMC education, a brief comparison will be made with other OMCs related with the knowledge-based society, i.e. the OMC R&D and OMC information society. The empirical findings indicate that a push-pull dynamic consisting of an incentive and reluctance to act on the European level on the side of the Member States, is central in explaining the development of the infrastructure of the three OMCs.

Introduction

Since the codification of the Open Method of Coordination at the Lisbon Council summit in 2000, various scholars with an interest in European integration have paid attention to this so-called 'new mode of governance' (Kohler-Koch and Rittberger 2006). The OMC can be defined as a form of transnationalised target-setting between national governments of the EU, with the ultimate aim of starting a learning process about how to respond with national policies to universal political and social challenges (Chalmers and Lodge 2003: 17). In 2000 the national governments of the member states of the EU decided to apply the OMC to a range of policy fields, all supposed to contribute to the goals of economic competitiveness and social cohesion. Although often seen as the birth of the OMC, the Lisbon Council did no more than label an already existing practice. The OMC was strongly inspired on the Luxembourg process, designed in 1997 to establish the European Employment Strategy (EES). The EES already contained the four elements of the OMC template that was codified in Lisbon (see box 1). Also the Luxembourg process had roots that went further back in time. It attempted to transpose to the framework of employment policy the techniques that characterised the primary project of the 1990s, i.e. Economic and Monetary Union (EMU) (Dehousse 2002: 4).
National governments in the European Council play the central role in the OMC. They approve by qualified majority the guidelines and indicators on which the different national policies are scored, and formulate National Action Plans (NAPs) in which it is specified how they plan to improve their policies. The drafting process of these plans should be preceded by the mobilization of a broad range of actors in order to guarantee the input legitimacy of the OMC. The more technical work of translating guidelines into indicators and ranking the Member States from best performing to worst performing is done by the European Commission. Experts indicate the factors that cause a national policy to perform best, and review the National Action Plans of the Member States. The OMC functioning in the context of the EES has a strong public blaming component. In the EES, the Commission can give country-specific (non-binding) policy recommendations to Member States with bad performing employment policies. When the above specified elements are in place, the infrastructure of an OMC is expected to facilitate mutual learning, which can give national governments insight into how they can best respond with their national policies to political and social challenges. The OMC functions in line with the principle of subsidiarity.

The potential advantages and disadvantages of the method and its (potential) policy impact have been widely discussed in the literature (see for reviews Trubek and Trubek 2005; and Zeitlin 2005b: 22-23). However, due to the short experience with other OMCs, scholars focused until now largely on the EES and the OMC social inclusion. Moreover, only marginal attention is paid to the politics of choosing policy instruments and the development of the infrastructure of the OMC (see for exceptions Goetschy 1999; Gornitzka 2005; Schäfer 2004, 2006b). To take these points into account, the following question will be addressed in this paper:
Why do national governments choose to develop the infrastructure of an OMC on a policy field?

In the next section, two explanations will be presented for why the OMC is chosen. On this basis an hypothesis is formulated that touches upon the choice to develop the infrastructure of the OMC. Although this hypothesis builds on notions present in integration theories, such as liberal intergovernmentalism, historical institutionalism, and neo-functionalism, it aims to explain a different phenomenon; i.e. not the transfer of Member States’ sovereignty to the EU level, but the pooling of Member States’ policy experiences on the EU level. The hypothesis will be discussed in the context of the OMC education. To assess the relative importance of the factors that can explain the development of the infrastructure of the OMC education, a brief comparison will be made with the OMC R&D and OMC information society (i.e. related with the emergence of the internet). In the conclusion of this paper a framework will be drawn up for analysing the development of the infrastructure of OMCs.

The choice for the OMC

The reason why Member States made the choice for the OMC is according to Scharpf related with the capacity of the OMC to accommodate diversity between Member States. At the end of the 1990s, it was envisaged that by using the OMC on the European level, policy solutions could be generated that are less vulnerable to the legal and economic challenges of EMU, while still maintaining the legitimate diversity of existing welfare state institutions at the national level (Scharpf 2002: 653; see also Gornitzka 2005: 14-15; Pochet 2005: 52). Other scholars put less emphasis on the problem-solving capacity of the OMC, and highlight the role the OMC plays in the strategy of Member States to prevent institutional and policy reforms from transforming their position in ways that are undesired (Chalmers and Lodge 2003: 17; Heritier 2001; Schäfer 2004; Wincott 2001).

Factors external to the EU are also claimed to have played a role in the introduction of the OMC. It is argued that similar benchmarking models were used by the OECD before the OMC was adopted by the European Council (Gornitzka 2005; Knill and Lenschow 2005: 589; Wallace 2001). Subsequently, the OMC spread from the EES to other policy fields, such as social inclusion, pensions, education, R&D, and the information society (De La Porte and Pochet 2002: 34, 38-39; Regent 2003; Szyszczak 2006). It seems that diffusion takes place;
i.e. a process in which knowledge about policies, administrative arrangements, institutions and ideas in one political setting is used in the development of policies, administrative arrangements, institutions and ideas in another political setting (Radaelli 2000). With regard to the OMC education it will be interesting to observe to what extent the EES - the benchmark for developing the infrastructure of OMCs - functioned as a blueprint for developing the infrastructure of the OMC education.

**Explaining the choice for developing the infrastructure of the OMC**

From the discussion above it becomes clear that national governments are the leading actors in the choice, functioning and development of OMCs. Next to this leading role, it is also important to take into account that there are variations in the degree of development of OMCs (Chalmers and Lodge 2003; De La Porte 2002; Radaelli 2003). Below, the infrastructure of OMCs is scored against the elements of the OMC template that can be found in the Lisbon presidency conclusions (see box 1). Mapping the degree of development of the infrastructure of OMCs in 2003 and 2005 makes insightful how the hypothesis - formulated in 2003 - came about.
### Table 1: The infrastructure of the open method of coordination in different policy areas in 2003 and end-2005

<table>
<thead>
<tr>
<th>Elements OMC</th>
<th>Treaty base</th>
<th>Specific objectives and indicators</th>
<th>Benchmarking</th>
<th>Reporting structure</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>EES</td>
<td>Art. 128-130</td>
<td>Yes: guidelines and indicators</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>No</td>
<td>Yes: objectives and indicators</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes: two-yearly NAP-process</td>
</tr>
<tr>
<td>Pensions</td>
<td>No</td>
<td>11 broad objectives. Indicators discussed</td>
<td>Yes: objectives and indicators</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Education</td>
<td>No</td>
<td>Yes: objectives and indicators</td>
<td>Yes: objectives and indicators</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>No</td>
<td>No</td>
<td>Yes: objectives and indicators</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Information society</td>
<td>No</td>
<td>No (***</td>
<td>No (****)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(*) This element refers to the presence of Treaty articles on the infrastructure of the particular OMC.
(**) Note that this element is not included in the Lisbon template for the OMC.
(***) Short term objectives are present in the e-Europe Action Plans, but these do not function as the basis for an open-ended process, i.e. the OMC information society.
(****) Short term objectives and indicators are present in the e-Europe Action Plans and i2010, but form only a weak basis for the OMC information society.

On the basis of table 1, a one-dimensional scale of the degree of development of the infrastructure of OMCs in 2003 can be constructed.

![Figure 1: The degree of development of the infrastructure of the OMC in different policy areas in 2003](#)

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1 This classification is inspired on the classification of Radaelli (2003: 31). See for other ways to classify OMC measures Kohl and Vahlpahl (2004: 376) and Szyszczak (2006: 494).
Figure 1 hints at the presence of a positive relation between the degree of development of the infrastructure of an OMC, and the degree of saliency in the eyes of the public of issues to which the OMC measure is applied. A highly salient policy field in the eyes of the public (for example, employment, education, pensions, social inclusion) is more likely to have an OMC with a developed infrastructure. Now, why do national governments choose to develop the infrastructure of the OMC on policy fields that are highly salient on the national level and are part of the core competences of the Member States? This puzzle lies at the basis of the hypothesis that will be formulated below.

![Figure 2: The most important problems according to European public opinion (Eurobarometer 59-65, EU-15)](image)

As stated earlier, the codification of the OMC template in the Lisbon presidency conclusions was inspired on the EES (1997). Because of this diffusion phenomenon, the reasons behind

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2 Both table 1 and figure 1 are based on Radaelli (2003) and a study of Commission and Council documents published in the period 1999-2005.

3 The social inclusion theme touches upon salient issues such as unemployment, the economic situation, health care, immigration and housing.
the development of the infrastructure of the OMC functioning in the context of the EES, will be taken as a starting point for constructing a general explanation for the choice to develop the infrastructure of the OMC. The OMC functioning in the context of the EES was a solution to a conflict between an incentive to act on the European level of Member States, while having a strong preference to keep control over the employment issue on the national level (Schäfer 2006a: 83-84). Member States had two reasons to act on the European level with regard to the highly salient employment issue. First, in the second half of the 1990s heads of government came to view EU attention for the unemployment problem as a way to address more directly the concerns of citizens, and to improve the Union’s image in the public opinion (Agence Europe 7106, 24/11/1997). Second, the EU was used by some social democratic government leaders as an additional venue to stress the importance of job creation, with the aim to balance economic and social issues on the EU level. Such a strategy could be most clearly observed in the actions of French Prime Minister Lionel Jospin (Aust 2004: 190; Ross 2001: 40; Van Riel and Van der Meer 2002; Zeitlin 2005a: 454).

The heads of government in the European council had to overcome a number of constraints in order to be able to address these incentives to act on the EU level. First, non-social democratic heads of government wanted to prevent that the attention for the employment issue on the EU level would receive too much of a social democratic outlook (Agence Europe 7050, 03/09/1997). Second, giving over a significant amount of credit for lowered unemployment to the EU would rob social democratic parties of too great a potential asset in elections, given that they are the ‘owners’ of the employment issue (Ladrech 2003: 120). In order to resolve the tension between an incentive and reluctance to act on the EU level, national governments started a search for a middle path in EU governance (Schäfer 2004). The result of this search was the OMC, an instrument that - when its infrastructure is developed - allowed for i) the setting in place of a coherent framework to discuss employment concerns on the EU level, ii) agreeing to disagree on the best approach to the unemployment problem (Meyer 2005: 140; Schäfer 2004; Scharpf 2002), iii) excluding pure neo-liberal or social democratic approaches (Pochet 2005: 58), iv) while neutralising the fear of eurosceptic politicians on the national level for a shift of competences (Manow et al. 2004: 29).

From the adoption of the OMC in the context of the EES, a condition can be derived under which it is likely that the choice is made for a non-binding policy tool such as the OMC and its infrastructure is developed. When Member States have an incentive to act on the European level on a policy field while at the same time they are reluctant to act, a search for a middle path in EU governance becomes necessary, with the choice for the OMC as a likely
result. The OMC is judged the most appropriate instrument because a governance mode less elaborate than the OMC would not create enough of a European dimension to a policy field to allow Member States to address their incentive to act on the EU level. In the case of the EES, a governance mode less elaborate than the OMC would mean that the strategy of paying attention to the unemployment problem would for sure not be visible enough for the public to be able to lead to an improvement in the Union’s image in the public opinion. However, a more binding governance mode than the OMC would be a bridge too far, i.e. too close to harmonisation and/or leading to too much interference of the Commission. Although the choice for a policy tool is restricted to the OMC, the incentives of Member States to act on the EU level, provide the motivation to develop the infrastructure of the OMC. Now, why does this conflict between an incentive and reluctance to act on the EU level emerge on a policy field?

On issues that are salient on the national level, politicians will want to prevent a shift of competences from the national to the European level. This reluctance can be rooted in various reasons, among which concerns for the national/cultural identity, the economic competitiveness of a country, and/or the electoral strategies of political parties on the national level. However, politicians are expected to be more willing to act on issues that are important in the eyes of the public, because on these issues the actions of politicians and policy results are most noted, with possible positive consequences for the public support of politicians (Behr and Iyengar 1985; Carrubba 2001; Lahav 2004; Manza and Cook 2002). As we saw from the EES-case, heads of government can occasionally even have reasons to give a European dimension to issues that are salient in the eyes of the public on the national level.

In sum, Member States want to remain in control over activities on the EU level with regard to issues that are highly salient on the domestic level, while at the same time they can have an incentive to act on the European level on these issues. Because of the wish to remain in control, Member States will be unwilling to transfer sovereignty to the EU level, and, hence, asks for an alternative governance mode. This mode will only be acceptable for Member States with an incentive and reluctance to act on the EU level, as long as it allows for discussing sensitive issues on the European level, while a shift of competences from the national to the European level is prevented. In the case of the EES the OMC was judged to be best capable to accommodate this tension and, hence, was chosen and developed in order to structure EU cooperation. In more general terms it can be stated, that the by the saliency of an issue fostered reluctance to act on the European level prevents that a different governance mode than the OMC is chosen. All other governance modes are either judged as too binding,
or are not ‘European’ enough to allow Member States to address their incentive to act on the EU level. At the same, the incentive to act on the European level of Member States ensures that there is an interest on the side of the Member States to develop the infrastructure of the OMC. A more developed infrastructure of the OMC provides a more coherent framework to discuss on the EU level how to address new challenges on which knowledge lacks in the national policy making process. In other words, a push-pull effect limits the choice for a governance mode to the OMC, while being a driving force behind the development of its infrastructure. This leads to the following hypothesis:

The greater the saliency of an issue in the eyes of the public on the national level, the more likely it is that a conflict occurs between an incentive and reluctance to act on the European level on the side of national governments. The presence of this conflict on a policy field is a condition for the OMC to be chosen and its infrastructure to be developed.

The remaining part of this paper will be devoted to a discussion of this hypothesis in the context of the OMC education. The relative importance of the factors that can explain the choice and development of the OMC education will be assessed by a brief discussion of the OMC R&D and OMC information society.

Cases and methods

For assessing the claims made above, policy fields need to be studied that differ on the degree of saliency and on which the Council mandated the adoption of an OMC. The education, R&D and information society fields are appropriate cases to study. The Lisbon Council mandated the adoption of the OMC on these fields, and survey data indicate (see figure 2) that education is a salient issue in the eyes of the public. On the basis of the hypothesis formulated above it can be expected that on the education field a conflict occurs between an incentive and reluctance to act on the EU level and that the OMC is likely to be viewed by national governments as the most appropriate instrument to accommodate this conflict. The conflict can be expected to be less present on the low salient R&D and information society fields and, hence, can open the way for other governance modes than the OMC to be adopted. For these two policy fields it can be expected that the reluctance to act on the European level is less present, which lowers the fear for a shift of competences and, hence, broadens the range of acceptable policy tools for Member States. Because the low saliency of these policy fields
engenders a lower incentive to act on the EU level, it is possible that Member States judge a less elaborate governance mode than the OMC more appropriate. A simple exchange of information on policy practices is likely to be judged sufficient by Member States to structure their EU activities. In sum, the expectation that the conflict will be less present on the R&D and information society field, makes the choice for the OMC less likely and weakens the motivation of Member States to develop the infrastructure of the OMC. As a result, the degree of development of the infrastructure of these OMCs is likely to be low (see table 2 for a summary).

<table>
<thead>
<tr>
<th>Saliency in the eyes of the public</th>
<th>Education</th>
<th>R&amp;D</th>
<th>Information society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict</td>
<td>Present</td>
<td>Absent</td>
<td>Absent</td>
</tr>
<tr>
<td>Development infrastructure OMC</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

Table 2: The expected values

As a first step in this research, official documents of European institutional actors published in the period 1999-2003 were analysed. This provided a preliminary idea of what happened on the European level during the years in which the OMC was codified and adopted on the policy fields. Secondly, the developments on the policy fields were studied in greater depth through a focus on articles published in the European Voice and Agence Europe bulletins (see appendix). Finally, policymakers and other actors involved in the choice and development of the OMC were interviewed. The interview-data have been systematically evaluated by applying the same coding categories to the transcriptions of the interviews as were used for the Agence Europe and European Voice articles.

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4 At a later stage the official documents for the remaining years (2003-2005) were studied.
5 European Voice is an independent weekly newspaper, published by The Economist Group since 1995. European Voice’s mission is to promote informed debate, openness and progress in the EU through coverage of the latest EU news and analysis.
6 Agence Europe is an international press agency that publishes daily bulletins on European economic and political integration. It is independent of all power-bases, national or other, political or economic.
Table 3: The empirical data collected on the three policy fields

<table>
<thead>
<tr>
<th>Policy Field</th>
<th>Number of Interviews</th>
<th>Number of Words of Transcription</th>
<th>Number of Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Society</td>
<td>119</td>
<td>62</td>
<td>1 (5000)(^7)</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>71</td>
<td>26</td>
<td>4 (9304)</td>
</tr>
<tr>
<td>Education</td>
<td>157</td>
<td>23</td>
<td>3 (10921)</td>
</tr>
<tr>
<td>Total</td>
<td>347</td>
<td>111</td>
<td>8 (25225) = +/- 10 hours</td>
</tr>
</tbody>
</table>

The OMC education

An incentive to act on the EU level

Towards the end of the 1990s, Member States started to realise that they are faced with similar challenges related with education, while at the same lacking knowledge on the national level how to address them (Interview CEC 16 November 2005; Interview CEC 9 November 2005, I; Interview Eurydice 16 November 2005). One of the new challenges identified was the view that education can contribute to the social cohesion of societies. Through continuously upgrading the skills of the population it is judged possible to allow people - immigrants and non-immigrants alike - to take active part on the labour market\(^8\) and in the democratic process. In this way, unemployment became redefined as a (lifelong) learning problem.\(^9\) At the Lisbon summit of March 2000, the heads of state and government explicitly asked the EU education ministers to begin an in-depth reflection on the future of education systems. The aim of this reflection should not only be to contribute to the EES, but also to the programme of structural reforms of the economy and the social cohesion of European societies (Agence Europe 7644, 28/01/2000, Agence Europe 7685, 28/03/2000,

\(^7\) Because of the marginal development of the OMC information society, it was difficult to find policy makers and other actors involved in the process. Hence, it was decided to code an internal document of DG information society. This document compares the OMC information society with other OMCs functioning in the context of the Lisbon strategy (Tavistock Institute et al. 2005).

\(^8\) Especially France (Agence Europe 7481, 07/06/1999; Agence Europe 7839, 09/11/2000), Germany (Agence Europe 7479, 04/06/1999), and Portugal (Agence Europe 7644, 28/01/2000; Agence Europe 7680, 20/03/2000) emphasised the link between education and job creation. However, it was during the Portuguese presidency in 2000 that the Council took on board a broad view on education policy as contributing to a knowledge-based society that can boost the economic competitiveness and social cohesion of Europe.

In the presidency conclusions of the Lisbon Council it is stated that:

‘Europe’s education and training systems need to adapt both to the demands of the knowledge society and to the need for an improved level and quality of employment. They will have to offer learning and training opportunities tailored to target groups at different stages of their lives: young people, unemployed adults and those in employment that are at risk of seeing their skills overtaken by rapid change’ (European Council 2000).

A second common challenge for EU Member States is related with the economic performance of countries. Because of the setting in place of EMU, Member States cannot any longer use macro-economic instruments on the national level to stimulate demand. As a result, national governments are searching for alternative ways to influence socio-economic developments. One of these alternatives is the reinforcement of the supply-side of the economy through investments in education (Interview CEC 9 November 2005, I).

Third, the ageing of the population creates a necessity to raise the labour market participation levels. The latter can be achieved by making demand and supply of labour match better through investing in the education of the labour force (Interview CEC 16 November 2005)(Munk 2003; Van der Wende 2000: 308).

The lack of knowledge on the national level on how to address these challenges, turned the eyes of the Member States to the EU level. It was envisaged that the EU could function as a platform to gather knowledge on how other Member States are dealing with these issues. According to an official working in DG education:

‘The Member States see that they have common problems, common issues that they are confronted with, and because of this they see an advantage in being able to exchange information and experiences on how other countries are tackling more or less the same problems. They think that through this exchange they can enhance their own policy practices’ (Interview CEC 9 November 2005, I).

Although the above discussed problems have occupied political minds for years now, their importance and the attitude towards the possible solutions have changed in the last decade. This is not only related with deliberate choices on the European level (i.e. the adoption of
EMU), but also because of increased competition between countries and bottlenecks for financing national welfare systems (Kaiser and Prange 2005: 249; Sapir 2006). To be sure, Member States mainly focus their attention on the national level when addressing the above specified challenges. However, over the last 5-6 years it has become commonly accepted that the European level provides an additional dimension to support Member States with this (Interview CEC 16 November 2005). As we will see below, the supportive measures on the European level had to be organised in a specific way to be sensitive to the key needs and constraints of Member States.

Reluctance to act

The empirical findings indicate that next to an incentive to act, national governments can also be reluctant to act on the EU level with regard to education matters. People in the Member States of the European Union view education as a salient issue that lies close to their national identity, determines their future life plans, and ensures inclusion in society (De Wit 2003: 166-67; Lawn 2003; Mitter 2004b; Novoa and de Jong-Lambert 2003: 49; see also figure 1). Therefore, a large majority of the public believes that the formulation of educational policies should remain exclusively at the level of the Member States (see figure 3).

Figure 3: Education policy, national competence or joint competence on EU level? (Eurobarometer, EU-15)

Moreover, the fact that EU Member States spent between 5% and 8% of their GDP on education and training provides an additional reason why governments, policymakers and
political parties consider it an important issue (Interview CEC 9 November 2005, I). It would be considered a weakness in most Member States if governments would not take responsibility for their own education and training systems (Interview CEC 16 November 2005). In sum, although national governments are willing to set in place a framework on the European level through which they can get inspiration on how to address new challenges, there is at the same time reluctance on the side of politicians and citizens to shift competences to the European level with regard to education matters.

The reluctance to act on the EU level with regard to education issues manifests itself in various ways. First, articles 149 and 150 of the Treaty codify a hands-off approach with regard to education issues. These articles only allow room for the use of soft instruments, such as recommendations. The principle of subsidiarity is guiding EU initiatives on the education field, which in practice excludes all forms of harmonisation (Van der Wende 2000: 307). In the Spanish three-stage plan for the Lisbon Strategy it is stated that education is ‘an area where subsidiarity remains the most appropriate approach, matched with open coordination’ (Agence Europe 7662, 23/02/2000). Along the same lines, the ministers of education stated on several occasions that there should not be European harmonisation but that, instead, each Member State will remain free to do what it considers adequate on the education field (Agence Europe 7680, 20/03/2000, Agence Europe 7732, 06/06/2000, Agence Europe 8593, 26/11/2003). According to Portuguese education minister d’Oliveira Martins:

‘It is indispensable for education to remain under the responsibility of Member States. We are speaking of convergence and not harmonisation. We want to make comparisons to see what is being done elsewhere and under no circumstances do we want to impose any sort of model’ (Agence Europe 7736, 13/06/2000, see also Agence Europe 7682, 22/03/2000).

The reluctance to act on the EU level has also an expression on the subnational level (Mitter 2004a). The German Länder do not want the federal government to use the European level to take on competences that the Länder have acquired (Interview CEC 9 November 2005, I; Interview CEC 16 November 2005; Agence Europe 7740, 20/06/2000; Obinger et al. 2005: 567). Commissioner Vivianne Reding stated on this:
Germany, with its Länder for education policy, does not wish to be excluded from international comparisons. But the Länder believe there is a problem when comparison entails decisions. What Germany fears here is EU interference with regard education’ (Agence Europe 8396, 07/02/2003).

A middle path in EU governance?

When the heads of state and government gave a mandate to the Education Council to implement the OMC, the government leaders knew no more on the effects of the OMC education than that it would be a safe choice, i.e. it would not lead to a shift of competences from the national to the European level. It was up to the ministers of education and the Commission (i.e. DG education) to pick up on the mandate of the Lisbon Council and interpret the rather broadly defined OMC template (see box 1). The Education Council and DG education soon came to view the OMC as an appropriate instrument to structure their EU activities. In the words of an official working in DG education:

‘The OMC is a good instrument in terms of creating a balance in sensitive policy areas between a European wish of going forward and Member State wishes to get help with structural problems, but at the same time keeping the political initiatives at their own hands.’ (Interview CEC 16 November 2005).

In line with this, education Commissioner Reding viewed the OMC as keeping the middle between the Community method and intergovernmentalism, and characterised the OMC as ‘community guided’ action (Agence Europe 7767, 27/07/2000). The choice for the OMC education is viewed by scholars as a way out of an impasse. A diversity of strategies - benchmarking, target-setting, peer review, expert networks, performance indicators - are mobilized ‘in order to distract discussion from political issues, and reorient them towards the more diffuse level of governance’ (Novoa and de Jong-Lambert 2003: 55). In this way the OMC education functions as a ‘mechanism for implementing a joint European policy that does not officially exist’ (Livingston 2003: 590-91), creating a balance between European convergence and national diversity (Dion 2005).

The appropriateness of the OMC as a policy instrument to structure EU activities lies in its full respect for the principle of subsidiarity. With the adoption of the OMC the fear for a shift of competences decreased, together with the suspicion of Member States towards the actions of the Commission. As a result, Member States became much more receptive for the
proposals of the Commission for recommendations, which led to an increase in recommendations on the education field. However, as we will see below, this did not mean that all of a sudden every OMC-like governance mode was judged appropriate for the education field; i.e. the type of OMC functioning in the context of the EES is considered as too binding for the education field.

The development of the infrastructure of the OMC education

The empirical findings indicate that the overlap between the interests of the heads of government, the ministers of education, and the Commission played a crucial role in the development of the infrastructure of the OMC education. First, there was a considerable amount of overlap between the interests and wishes of the heads of government in the Council, and the ministers of education in the sectoral Council. Both viewed the OMC as an instrument to trace underperformance of national education policies with regard to the three above identified challenges, without risking a shift of competences from the national to the European level. Second, the ministers of education were searching for ways to prevent the general themes on the agenda of the Education Council from changing drastically each time the presidency of the Council would rotate (Gornitzka 2005: 22, 32). The OMC could grant this long time wish for more coherence (Interview CEC 9 November 2005, I) Third, the Commission was motivated to contribute to the development of the infrastructure of the OMC education, because through the OMC it was allowed to play a role on a policy field on which it does not have a competence and on which it considers EU action important (Agence Europe 7673, 09/03/2000; Agence Europe 7893, 31/01/2001; Agence Europe 8400, 13/02/2003, Agence Europe 8890, 16/02/2005).

In sum, the good fit between the interests and wishes of the Commission and the Education Council and the way the OMC functions, opened the way for the development of the OMC education along the timetable that was set by the heads of government. Without the shared view on the added value of the OMC, the Commission would not have made a serious effort to come up with proposals to put in practice the mandate of the heads of government, and the Education Council would not have agreed with these proposals. To be sure, it are the ministers of education that are in the driver seat and allow the infrastructure of the OMC education to develop to a degree and in a speed they consider appropriate. At the same time,

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10 Whereas the Commission could get its interests in line with the OMC education, the European Parliament - because of its institutional role in the EU framework - opposed the non-binding character of the OMC and was sidelined (Interview CEC16 November 2005).
the proposals of the Commission are the fuel for the infrastructure of the OMC education to develop. Hence, the two institutions form - in the words of an official of DG education - ‘a dynamic duo’ (Interview CEC 16 November 2005). It are the ministers of education with the lowest reluctance to act on the European level which contributed most to the setting in place of the infrastructure of the OMC education. Subsequently, all education ministers gained trust in the OMC education as a ‘safe choice’ and did not find it any longer necessary to refer constantly to the principle of subsidiarity. Heads of government and education ministers still do not want any shift of competence on the education field, but they realise that the OMC is not ‘hard’ enough to undermine the strict Treaty base (Interview CEC 9 November 2005, I; Interview CEC 16 November 2005). One of the side-effects of the neutralisation of the fear for a shift of competences by the OMC education was an increase in the amount of recommendatisons adopted on the education field by Member States.

Because of the mandate of the heads of government to adopt the OMC education, and the partnership between the ministers of education and the Commission, the infrastructure of the OMC education developed in the period 2000-2005 towards the upper limits of the OMC template. The first step in the development of the infrastructure of the OMC education was the mandate from the Lisbon Council to the ministers of education and the Commission, to draw up an objectives-framework. Subsequently, the Commission proposed a detailed work programme, which was swiftly adopted by the Education Council. Five benchmarks were defined, with a time schedule running till 2010. The key objectives of the plan consist of improving the quality and efficiency of education systems, facilitating access to education for everyone and opening up the EU educational establishment to the outside world. In the work programme these three key objectives are split into more detailed objectives and key issues. For every concrete objective it is indicated how the follow-up is organised, what the indicators for measuring the progress are, and the themes for exchanging experience and good practice (European Commission and European Council 2002: 43). For the implementation of the programme, ‘objective groups’ are created, each working on one specific objective. The participants in these groups are experts of the Member States, with the Commission as organiser, initiator of proposals and source of expertise. The mandate of each objective group is to make an inventory of activities in their area, contribute to the development of policy objectives, formulate opinions concerning suitable indicators and benchmarks, and organise the mutual learning exercise (European Commission and European Council 2002; Standing Group on Indicators and Benchmarks 2003). In sum, two years after the mandate to adopt the OMC education, the Education Council and the Commission established the rules of the game.
Towards the end of 2005, initiatives aimed at facilitating mutual learning between Member States undertaken in previous years were reinforced with the organisation of peer learning activities\(^\text{11}\) (Interview CEC 16 November 2005). Because peer learning is gaining an important role in the OMC education, the focus is shifting from the objective groups to countries, their specific interests, and the concrete implementation of new policies (Interview CEC 9 November 2005: I).

Although more and more elements of the OMC template are present, the infrastructure of the OMC education is still somewhat underdeveloped. First, there are no guidelines specifically for education and training matters. However, through the revision of the Lisbon strategy in 2005, two guidelines touching upon education and training were included in the new integrated guidelines (Interview CEC 16 November 2005; Interview CEC 9 November 2005, I). Second, the attention for the sub-national level in the OMC education has been marginal (Interview CEC 9 November 2005, I). Third, the introduction of National Action Plans (NAPs) and the drawing up of joint reports is fairly recent. Based on the 2005 national reports of Member States, a first joint report was published in November 2005.\(^\text{12}\) In this report, the Commission indicated which countries perform best, and discusses best practices (European Commission and European Council 2005). However, the joint report does not go very much into detail for specific countries and did not identify what the bad policy practices are.

\(^{11}\) There are various Commission publications that aim for facilitating an exchange of information between Member States on their policy practices: ‘Study on Access to Education and Training’ (Souto Otero and McCoshan 2005), the Commission staff working papers ‘Progress towards the Common Objectives in Education and Training: Indicators and Benchmarks’ (European Commission 2004) and ‘Progress towards the Lisbon Objectives in Education and Training’ (European Commission 2005).

\(^{12}\) This reporting structure has remained intact after the revision of the Lisbon strategy in 2005. The crucial role of education in the Lisbon strategy justifies - according to the (Education) Council - that a parallel reporting process for education next to the National Reform Programmes of the revised Lisbon strategy is maintained (Agence Europe 8954, 25/05/2005). Illustrative in this context is that the (envisaged) reporting structures on the R&D and information society field were not allowed to remain independent and were collapsed in the National Reform Programmes.
<table>
<thead>
<tr>
<th>Elements OMC</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. fixing guidelines, specific timetable for achieving the goals which they set in the short, medium and long terms</td>
<td>Two guidelines present in the integrated guidelines, non-binding timetable till 2010.</td>
</tr>
<tr>
<td>2. indicators and benchmarks</td>
<td>Benchmarks are in place. Indicators existed already, but were not used before the implementation of the OMC education. Indicators on the sub-national level are underdeveloped.</td>
</tr>
<tr>
<td>3. translating European guidelines into national and sub-national policies (NAPs)</td>
<td>NAPs very recent. Not (yet) country-specific. No translation to sub-national level.</td>
</tr>
<tr>
<td>4. periodic monitoring, evaluation and peer review organised as mutual learning processes</td>
<td>On a voluntary basis, without naming and shaming. Recently more country-specific with more involvement of internal experts instead of only representatives of the Member States.</td>
</tr>
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</table>

**Table 4:** The OMC template and the development of the OMC education

Although many elements of the OMC education are inspired on the EES, the latter did not function as a blueprint for developing the infrastructure of the OMC education. According to an official working in DG education:

‘The OMC employment is much stronger and much heavier than ours. If we would make a reference to employment, then we would say, in a sense, that this process is going to be more heavy than it is’

(Interview CEC 9 November 2005, I).

The development of the infrastructure of the OMC education beyond the OMC template codified at the Lisbon summit and towards an EES-like OMC is unlikely. When compared with the EES, the current infrastructure of the OMC education lacks Commission-based country-specific desks to make evaluations of individual country policies and to give country-specific recommendations. Moreover, the National Action Plans education are only recently introduced and of a much lighter nature than the National Action Plans employment. This can be related with the relative small number of officials working on the OMC education. The largest part of the resources of DG education are spend on organising the mobility programmes. Secondly, Member States learned from the EES-experience that the infrastructure of the OMC functioning in the EES context - with its stronger public blaming component and Member States’ annoyance with regard to the Commission interference in national policy practices - should not be used as a blueprint for developing other OMCs on sensitive policy fields. As a result, the infrastructure of the OMC education did not
completely develop along the lines of the EES and remained close to the lighter OMC template that was codified in the Lisbon presidency conclusions.

**The OMCs on the R&D and information society fields**

In this section, the OMC R&D and the OMC information society will be discussed briefly. In the conclusion of this paper a comparison will be made between the three OMCs. This will result in a framework to analyse the development of the infrastructure of OMCs.

*The OMC R&D*

At the end of the 1990s, Member States turned to the European level to learn how to gain greater benefits from the increasing internationalisation of R&D. Because a national elite of politicians, bureaucrats and stakeholders considers the R&D issue as vital for the defence, energy supply, economic growth and competitiveness of countries, a conflict emerged between an incentive and reluctance to act on the EU level. After the heads of government mandated the adoption of the OMC on the R&D field, the sectoral Council and the Commission came to view the OMC as the most appropriate instrument to learn from each other how to benefit more from the internationalisation of R&D, while keeping all competences on the national level. In sum, in a similar way as for the education field, the overlap between the interests of the (sectoral) Council and the Commission facilitated the development of the infrastructure of the OMC R&D. However, the conflict underlying the development of the infrastructure of the OMC R&D was not engendered by the saliency of the R&D issue in the eyes of the public - which is low – but by the saliency of the issue in the eyes of a national elite of politicians, bureaucrats and stakeholders.

*The OMC information society*

On the information society field, a conflict between an incentive and reluctance to act could not be identified. The empirical findings indicate that the absence of this conflict is primarily related with the high volatility of the saliency of the information society issue among a national elite of politicians and bureaucrats. In 2000, however, the Council recognised that there was a need among Member States to learn from each other on how to channel the emergence of the internet. Due to falling stocks of internet-related companies, governments quickly lost interest in the information society issue. Moreover, Member States are still figuring out on which level competences are most efficiently allocated. Member States do not
yet fully know whether they have to fear a shift of competences from the national to the European level with regard to information society issues, or whether they should encourage the Commission to take on a stronger role.

Because of the absence of a conflict between an incentive and reluctance to act on the side of the Member States, the OMC could not perform its function as a compromise instrument. Hence, DG information society and the ministers responsible for the information society did not see the added value of the OMC against the background of the already existing e-Europe Action Plan. Moreover, because of the bursting of the internet-bubble, Member States lost interest in the information society issue and, hence, did not insist on developing the infrastructure of the OMC on this field.

Conclusion

The first thing to be noted when the empirical findings for the three OMCs are compared is that on two policy fields a conflict is present between an incentive and reluctance to act on the EU level. On the policy fields where such a conflict is present (i.e. education and R&D), the Council and the Commission consider it necessary to structure their cooperation through a policy instrument that can strike a compromise between an incentive and reluctance to act on the EU level. The (sectoral) Council judged that the OMC is best capable of offering such a compromise, which opened the way for the development of the infrastructure of the OMC. The Commission goes along with this Council decision, because through the OMC it can gain a modest role on a policy field on which it does not have any competence. This fit between the interest of the Commission and the (sectoral) Council created a partnership that facilitated the adoption of proposals on the development of the infrastructure of the OMC.

The sectoral Council and the Commission did not identify a deadlock situation on the information society field to be solved by a compromise instrument like the OMC. Hence, they judged that the OMC did not have any added value against the background of already existing policy initiatives (i.e. the e-Europe Action Plan). Because both the Commission and the sectoral Council did not view the OMC as an appropriate policy tool, the infrastructure of the OMC information society remained underdeveloped.
The difference in type of saliency between the education and R&D issue - i.e. public vs. elite - does not determine whether the conflict is present. The only impact this difference in saliency has, is on the degree of the reluctance to act on the European level of the Member States. This reluctance is higher in the case of the education field, and has led to an additional role for the Commission, namely to reassure Member States that their national policies remain untouched. The absence of the ‘public’ element in the saliency of the R&D issue leads to less public visibility and, hence, somewhat more room for manoeuvre for politicians and policy makers. However, the reluctance to act on the European level with regard to the R&D issue on the side of Member States - rooted in strategic and economic interests - is still strong enough to cause conflict with (actors in) Member States who want to act on the EU level to obtain greater benefits from the internationalisation of R&D. This conflict made it necessary to adopt the OMC as a compromise instrument for the R&D field, and opened the way for the development of the infrastructure of the OMC. In sum, the findings with regard to the OMC R&D make a further distinction between types of saliency necessary. Next to the saliency of an issue in the eyes of the public, the saliency of an issue in the eyes of a national elite of politicians and policy makers should also be taken into account. The above findings are summarised in table 5 and figure 4.
The push-pull dynamic consisting of Member States’ incentive and reluctance to act on the European level - which underlies the hypothesis of this paper - seems central in explaining the development of the infrastructure of the three OMCs. First, the by the saliency of an issue fostered reluctance to act prevents that a different governance mode than the OMC template codified in Lisbon (i.e. the OMC-lite) is chosen. The (sectoral) Council judged all other governance modes as either too binding (i.e. the Community method or the OMC functioning in the context of the EES) or as not European enough to address its incentive to act on the EU level (i.e. the pre-OMC situation on the education field in which the agenda of the Education Council completely changed every time the presidency of the Council rotated). Second, the incentive to act on the European level ensures that there is an interest on the side of the Member States to develop the infrastructure of the OMC-lite. Hence, the push-pull dynamic limits the choice for a governance mode to the OMC-lite, while being a driving force behind

**Figure 4:** The choice to develop the infrastructure of the OMC
the development of the infrastructure of the OMC. The dynamic sets also the limits for the development of the infrastructure beyond the OMC-lite. The empirical findings indicate that it is unlikely that the OMC education will develop along the lines of the EES. The OMC functioning in the context of the EES is judged by more reluctant Member States as too binding for the education field. In sum, although the infrastructure of post-Lisbon OMCs share many elements with the EES, the latter did not function as a blueprint. The undesired consequences of the way the EES functioned, and elements specific to policy fields - for example, the limited resources of DG education - played an important role in this.

Appendix

Agence Europe 7050, ‘Extraordinary summit should adopt “quantified and verifiable” objectives from one year to the next, with sufficient financial means, syas Mr. Juncker, emphasizing mobilisation of EIB resources’, 03/09/1997.
Agence Europe 7106, “The Luxembourg "method" and "objectives" will not remain a dead letter, says mr Juncker - European council was able to adopt some target figures because of Germany's flexibility - importance of follow-up, role of social partners”, 24/11/1997.
Agence Europe 7479, ‘On Monday, ministers will hold first exchange of views on implementation of results of Cologne summit and will take stock of situation for socrates II and Leonardo II’, 04/06/1999.
Agence Europe 7481, ‘Guidelines for socrates II and leonardo II programmes, which must be more transparent and simpler - education, essential element in the fight against unemployment’, 07/06/1999.
Agence Europe 7644, ‘President of Education Council, Oliveira Martins sets up European charter on basic skill, that will enable a same language to be spoken in the field of education’, 28/01/2000.
Agence Europe 7673, ‘Viviane Reding launched an e-learning initiative that emphasises the educational side of the "e-europe" initiative while awaiting lisbon summit "a helping hand" to push forward issues in this field’, 09/03/2000.
Agence Europe 7682, ‘Fixing timetable and follow-up of European council decisions will be fundamental problems, says ms Rodriguez (who organised preparatory work) - supporting a summit on results to be held regularly every year’, 22/03/2000.
Agence Europe 7685, ‘Mrs. Reding to propose action plan to education ministers in response to the mandate provided by the European Council’, 28/03/2000.
Agence Europe 7732, ‘Ministers to review on Thursday the many challegnes facting education in the new information society’, 06/06/2000.
Agence Europe 7736, ‘According to Council president, education must remain Member States responsibility but convergence must be sought in educational policies – results of Council – “European software” for our schools’, 13/06/2000.
Agence Europe 7740, '12 to 18 June 2000, brief items for which space was lacking in earlier editions', 20/06/2000.
Agence Europe 7893, ‘Commission adopts its communication on future objectives for educational systems (to be handed to stockholm summit)’, 31/01/2001.
Agence Europe 8393, ‘Ministers to discuss Europe of knowledge, european benchmarks and elearning multiannual programme on thursday’, 04/02/2003.
Agence Europe 8396, ‘Conclusions on education and training benchmarks to be adopted during Council early May – progress in creation of Europe of knoweldge’, 07/02/2003.
Agence Europe 8400, ‘Viviane Reding calls for title on "education, training, youth, culture and sport” in future treaty - articles proposed’, 13/02/2003.
Agence Europe 8412, ‘Brussels summit calls for education policy independent of economic side - Viviane Reding believes education should remain under member state responsibility’, 03/03/2003.
Agence Europe 8626, ‘At the Galway council meeting, Anna Diamantopoulou says the irish model of investing in education and training to achieve economic success should inspire the acceding countries’, 19/01/2004.
Agence Europe 8890, ‘Jan Figel says that relaunch of Lisbon strategy will require creation of knowledge-based society’, 16/02/2005.
Agence Europe 8954, ‘Conclusions on new assessment indicators - ministers insist multilingualism must be included in education systems’, 25/05/2005.

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