COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.3.2006
SEC(2006) 345

COMMISSION STAFF WORKING DOCUMENT

EVALUATION OF THE OPEN METHOD OF COORDINATION FOR SOCIAL PROTECTION AND SOCIAL INCLUSION

A synthesis of replies by Member States and other actors to an evaluation questionnaire on the Open Method of Coordination in the fields of social inclusion and adequate and sustainable pensions
1. The Evaluation of the Open Method of Coordination for Social Protection and Social Inclusion

This report is published by the European Commission as a companion to its communication proposing new common objectives and working methods for the future implementation of the Open Method of Coordination (OMC) in the field of social protection and social inclusion. It reports on contributions made by Member States and interested policy actors to a questionnaire, published in February 2005, in which they were invited to comment on the effectiveness and efficiency of the different components of the OMC and its working methods as it has been applied in the fields of fighting poverty and social exclusion and in relation to adequate and sustainable pensions.

1.1. Background

The OMC developed in the fields of social protection and social inclusion in the light of the strategic objective for Europe's socio-economic development established by the Lisbon European Council of March 2000. The Lisbon strategic goal included the aim of creating "greater social cohesion" and the implications of this were made more explicit in the Council's conclusions, which called for concerted EU level work (a) "to make a decisive impact on the eradication of poverty" (para. 32) and (b) on the future adequacy and sustainability of pension systems (para. 31). Separate OMC-based processes were established in the two areas – known respectively as the EU Social Inclusion Process and the OMC on Adequate and Sustainable Pensions. They were based on separate sets of commonly-agreed objectives and separate timetables for reporting on and assessing progress. Work on each has progressed and developed at its own pace since then. The European Council subsequently sought to extend work via the OMC to a third area, to address issues related to the future of healthcare and long-term care.

Under the Open Method of Coordination, Member States agree to a measure of joint development of policies without calling into question subsidiarity. It is a flexible method, allowing exchange and coordination to grow in a way and to a degree appropriate to the policy in question. As applied to social inclusion and pensions, it has involved: agreeing common objectives which set out high-level, shared goals to underpin the entire process1; preparation of National Action Plans (NAPs) for inclusion and National Strategy Reports (NSRs) for pensions, in which Member States set out how they will plan policies over an agreed period to meet the common objectives; evaluation of these plans/strategies in Joint Commission/Council Reports; joint work on indicators to facilitate mutual understanding and measurement of progress and, where appropriate, target setting. The OMC has further provided a framework for exchanges of information and mutual learning. It has inspired conferences, academic studies and networking projects which use the common objectives as a basis to address policy questions. And, finally, it has promoted

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1 The current common objectives for the two processes are set out in Appendix 1.
openness, transparency and the involvement of stakeholders, at European and national levels, as a means to better policy making.\(^2\)

The Commission proposed to "streamline" the work on inclusion and pensions, together with the planned work on health and long-term care, by drawing them together in one integrated process as far back as April 2003. The aim was twofold: to highlight key issues and challenges for the sector as a whole; and to integrate them better into the Lisbon process, in particular the Broad Economic Policy Guidelines (BEPGs) and the European Employment Strategy. The Commission proposed a structure for reporting and evaluation across the three fields and a timetable synchronised with the BEPGs and Employment Guidelines to ensure mutual consistency. Member States supported the proposals, emphasising that streamlining should lead to real simplification of reporting while not diminishing the distinct nature and scope of the inclusion and pensions processes. It was agreed to proceed gradually, with certain components of the package being addressed during 2004-2005. The final component – the adoption of new common objectives for the three strands plus new procedures to apply from 2006 – is the subject of the Communication which this working paper accompanies.

The Commission proposed that, prior to making its proposal for new common objectives and a new framework, it would evaluate the work undertaken to date within the OMCs for social inclusion and for pensions. This Report presents the main findings of the evaluation exercise.

1.2. Planning of the Evaluation

After the Council agreed in October 2003 to the phased introduction of the streamlined framework, initial discussions on arrangements for an evaluation were held in the Social Protection Committee (SPC) and Economic Policy Committee (EPC) during 2004. It was agreed that the evaluation would be a broadly based exercise, within which, reflecting the nature of the OMC, the central element would be the views of Member States and other social policy actors on the extent to which the process had been effective in promoting policy coordination and the dissemination of good practice, and any changes to be introduced in order to improve it, either in the common objectives or in aspects of the working methods. At the heart of the exercise, there was to be a common questionnaire, with questions covering their experience and views both of social inclusion and pensions. A draft questionnaire was accordingly submitted for discussion to the Social Protection Committee in December 2004, having previously been discussed in different forums with interested NGOs and social partners. It was agreed and then sent to all Member States, to the European-level social partners and to networks of NGOs and social protection institutions. There was an open invitation to all interested parties to submit completed questionnaires to the Commission by the end of June 2005.

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\(^2\) The evolution of the two processes, including common objectives, national reports, joint Council/Commission Reports, studies and ancillary activities can be found at the following web-addresses: for social inclusion: [http://europa.eu.int/comm/employment_social/social_inclusion/index_en.htm](http://europa.eu.int/comm/employment_social/social_inclusion/index_en.htm); and for pensions at [http://europa.eu.int/comm/employment_social/social_protection/pensions_en.htm](http://europa.eu.int/comm/employment_social/social_protection/pensions_en.htm).
The seven questions in the common questionnaire are set out in sections 2.1 to 2.7 below, followed by the answers given by Member States and other actors. Member States were invited to play a particular role in disseminating the questionnaire and in facilitating input from interested actors. They were invited to take into account the following points:

- A single reply should be prepared – which required effective coordination between different ministries at national level.
- They were encouraged to consult actors involved in the OMC, according to their national practices, as comprehensively as possible. The reply had to make clear the extent to which it reflected the views of those consulted.
- The replies should contain an annex showing which bodies had been consulted and which had submitted contributions. Member States were invited to make these contributions public on a government website.

1.3. Submissions to the Evaluation

Replies were received from all Member States. The European-level social partner bodies, and a large number of European-level NGOs and representatives of other actors submitted replies to the questionnaire directly. These bodies are listed, grouped according to their sector, in Appendix 1. In addition, NGOs and other actors participated in national seminars and their inputs are reflected in the submissions of some Member States. For the most part, this is done without direct attribution which would allow the organisation to be identified. However, wherever possible, the organisation is named.

2. The evaluation of the OMC for social inclusion and for adequate and sustainable pensions

The evaluation questionnaire, as agreed in December 2004, consisted of seven relatively short and concrete questions. While the questions were short, each was followed by illustrative subsidiary questions designed purely as a help to respondents in approaching each question and these are set out at the start of each section from 2.1 to 2.7. The first question sought views on the general added value of the process, before the five subsequent questions sought to elicit views on specific aspects of the OMC as it has developed. At each point respondents were invited to make clear where their remarks concerned the OMC on social inclusion and where they related to the OMC for adequate and sustainable pensions. The final question was a more general and open invitation to make suggestions on future development, which was the only point at which respondents were invited to refer to the planned work on health and long-term care, which was not otherwise covered by the exercise.

In the following sections of this report, answers to the successive questions are summarised. Member States’ answers are cited first, followed by those of social partners, NGOs and other actors, in that order.
2.1 Question 1 – The added value of the OMC

*To what extent has the OMC helped to achieve progress in the national policy making process and at the European level?*

Respondents were asked, in particular:

- How and to what extent has the OMC influenced or helped to advance the national policy agenda?
- Have recent reforms and policy initiatives benefited from experience in other countries?
- Is a reflection on the experiences of other EU-countries normally carried out in the process leading to the adoption of a new policy measure or important reform?
- Has the OMC been an efficient and effective method in view of achieving the common objectives that were established for it?
- To what extent has the OMC contributed to develop a common understanding of the challenges to social inclusion and to pension sustainability in the EU? Has it also contributed to a greater convergence of policy responses?

**General introductory points re this question**

This question was used by respondents to articulate their broad overall view of the OMC and how it has worked. In this respect it interacts with answers to the final question (see 2.7 below), in which respondents were asked to give their views on how the OMC should be shaped in future.

**Member States: summary of their overall assessment**

The overall assessment of the OMC among Member States is positive. There was a general welcome for the fact that it had been created and all Member States found the OMC to be of value to a greater or lesser degree, with many also referring to its potential for further development. While some referred to the need to strike a balance between the benefits to be gained from the OMC and the costs it imposes in terms of reporting burdens, no Member State argued either that the process was without value or that the burden outweighed the benefits. Some, for example Belgium, acknowledged weaknesses in the OMC and queried whether it constituted an adequate response to the challenges it was being asked to address, both at EU and national levels. Belgium concluded that while important weaknesses and unrealised potential exist, it is nevertheless a good way of working at the EU and national level.

**Impact at European level**

The question as posed invited respondents to distinguish between impact on progress "in the national policy making process" and impact "at the European level". For some, the main value lay in its EU-level role – its existence testified to the EU’s support for social policy objectives. It also served as a vehicle to ensure that social protection and inclusion policies are reflected in EU policy making.
Thus France, having welcomed the OMC as "an important step forward in general terms", attached the greatest importance to its impact at EU level – it cited the way the OMC strengthens the account taken at the EU level of what are important policy preoccupations at the national level, and how it helps to progress the concept of a social Europe, before citing the value of learning and exchange (i.e. potential national impacts). Denmark’s view is straightforward: the OMC adds important value, namely a social dimension, to European cooperation. Sweden adds that, by showing that the EU is involved in issues close to the citizens and by inviting participation of stakeholders the OMC strengthens the legitimacy of the EU. Austria specifically welcomed the way the OMC had ensured that social concerns were present in the EU-level debate about the future of pension systems.

Towards a common understanding or convergence of policies?
One of the subsidiary questions asked whether the OMC had contributed to the development of a common understanding of challenges and to a greater convergence of policy responses. Not many Member States responded directly. Among those who did, Finland did not feel that EU convergence in policy responses was an objective; nevertheless, along with others (Luxembourg and Sweden), it did see a “considerable” increase in the shared understanding of pensions and poverty issues and of the best type of policies to address them. Luxembourg, nevertheless, felt that such a “cognitive convergence” would not lead easily lead to a policy convergence due to the difficulty of importing even the best European-level practices from one national context to another.

Member States’ assessment of impact on national policy making
Addressing the OMC’s impact at national level, most of the discussion referred to the social inclusion strand and not to pensions. Most Member States, even when they could not attribute specific reforms or policy impacts to its influence, nevertheless felt that it had helped create a framework and encouraged a strategic approach to be adopted for national policy setting. Thus, for the Netherlands, the OMC on inclusion had provided a "useful tool to keep attention focussed [on] social inclusion issues…the interconnection between various [inclusion] policies is better understood [in national policy making]". Finland acknowledged that its “awareness of common European objectives and different Member States’ solutions has increased and thus strengthened the information base on which our political decision-making is based” and that the OMC “has increased understanding of the many dimensions of poverty and exclusion” and “the importance of co-operation between various actors". For Denmark, it had “engendered a coherent Danish strategy for fighting poverty and social exclusion across sectors, creating greater overview and thus a better decision basis”. Luxembourg said that national experience of social monitoring had previously been limited and the OMC had caused it to engage in such approaches as targeting and monitoring. Greece felt that the OMC had helped put social exclusion issues on the political agenda and promote social and civil dialogue.

Some countries went further in attributing direct impacts in particular policy domains to the OMC. The UK cited the following: the NAPs on inclusion had helped draw attention to the existing national agenda to halve and then eradicate child poverty; the national strategy on indebtedness was strongly influenced by the consultation to draft the 2003 NAP and by learning from the Irish NAP; and policies on lone parents and on childcare had drawn heavily on learning from several northern European countries.
Luxembourg cited the reform of two legal instruments as flowing directly from the preparation of the 2001 NAP on inclusion, following a study of the Belgian experience of “centres publiques d’aide sociale”.

New Member States, while acknowledging their short experience of the method, were on the whole very positive about its impact on their national policy making. Hungary is explicit and comprehensive. The OMC “helped unequivocally to put the question of the fight against social exclusion on the agenda. A regular consultation has begun between the ministries on the question of social exclusion by creating the Inter-Ministerial Committee against Social Exclusion at the end of 2004. Participation in the OMC has promoted the acceptance of the aspect of the combat against social exclusion at the different ministries.”

The Czech Republic noted particularly the importance of the obligation to create a National Action Plan on Social Inclusion which was capable of serving as a National Strategy for Social Inclusion. It also highlighted the value of informal twinning arrangements with EU15 countries (UK and Germany) which had grown, not strictly as part of the OMC, but which nevertheless used the common objectives and common indicators as a framework. Malta attributes specific national institutional developments to the OMC: the creation of the Malta Council for Economic and Social Development and new institutional links to involve the NGO sector. Poland felt that the main effect of the OMC was that it had helped to identify key social issues and threats and to improve national systems of monitoring and statistics. Slovakia gave an example of learning directly from the UK in relation to tax credits as a means to boost in-work earnings. Slovenia referred to its legislation on social assistance as having been directly influenced by the inclusion OMC.

Sweden and Germany did not feel that the OMC had directly impacted on national policy choices.

Fewer examples of direct policy impact are cited in the area of pensions. Portugal links the OMC for pensions with national pension reforms undertaken in 2002 and 2005. France remarked on how the 2001 NSRs for pensions and the Joint Pensions Report 2002 had been the subject of considerable study in France in regard to approaches to pension reform across the EU. It had led directly to the study of approaches in Sweden, Finland, Spain and Germany by the Minister, parliamentarians and social partners on different issues (e.g. information provision, active ageing and role of the second pillar). Several Member States here referred to the positive impact on their policy making, as much potential as actual, of learning (Austria, Netherlands, UK, and Platform of European Social NGOs (ESP)) from other Member States. Belgium acknowledges the value added by the pensions OMC, which had required it to analyse its pensions challenges from a strategic angle.

Stating that it had already started the reform of pension systems when the OMC began, Netherlands did not find any influence.

By way of a general reflection on why the OMC had not impacted more strongly on their domestic policy formulation, Finland said that the OMC cycle has not been in synchronisation with the national policy planning cycle, derived from Government programming and incomes policy agreements. Ireland makes a related point in that it had already created a national anti-poverty strategy with its own rhythm when the
NAPs inclusion cycle was created. By contrast, Spain says that its national discussion on pension reform benefited from the fact that it coincided with preparing the first NSRs for pensions.

**Views of the Social Partners**

For the social partners, this question afforded an opportunity for high-level reflection not just about the OMC but about the social dimension of the EU.

Thus for the European Trade Union Confederation (ETUC), the OMC as a method is the “minimum minimorum” in terms of a European-level method to address social problems and needs to evolve in the direction of becoming more concrete, for example through an EU-level minimum income. It had prefaced its response to the questionnaire by querying why processes should now be changed just as they were beginning to build momentum. Nevertheless, ETUC favoured streamlining which would lead to better integrated and mutually reinforcing policy making. In assessing the impact of the OMC, it felt that this was less to do with concrete impact on national reforms and more to do with ensuring that reforms had some common and EU-level direction. Nevertheless, it recognised some concrete impacts, particularly in the inclusion field.

Similarly, the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) is convinced that the OMC is an efficient tool and that it helps to strengthen social cohesion inside the EU. It particularly appreciates that the OMC gives Member States the necessary flexibility to reach fixed goals while keeping the national particularities of different systems. However, it does not think, either, that the practical impact on policies to date has been strong. The CEEP believes that better coordination of different instruments – legislation, social dialogue, the OMC, European Social Fund – will be needed to have a true EU impact on social policy issues.

The European Association of Craft, Small and Medium-Sized Enterprises (UEAPME) expresses general support for the OMC for social protection and inclusion, recognising that social protection is a fundamental pillar of the social model and that this should be reflected at EU level. It supports the drive towards streamlining while seeking to maintain the identity of the separate policy areas. In terms of concrete impact, drawing on its consultation with its national affiliates, it concluded that there had been positive impacts on national pensions planning, particularly in promoting longer working lives. It saw great potential in mutual exchange and learning.

The European industry organisation UNICE feels that the OMC has stimulated a critical analysis of national policies and that exchanges of good practices and peer reviews are helpful because they are concrete and inspire the parties involved. However, the actual implementation of the agreed policies in Member States is key.

**Views of NGOs**

Most NGOs would subscribe to the point made by The European Social Platform which views the social inclusion process as "extremely necessary"; the method is far from perfect but provides a workable framework which can be built on to create a process with a potential to make real impacts on policies and outcomes. The European
Anti-Poverty Network (EAPN) continued with an extensive catalogue of what it saw as the benefits of the OMC (its reflection mainly concerned the OMC for social inclusion). It did so, however, while stating its support for a stronger EU instrument. The only alternative to an OMC process on Inclusion and Social Protection would be some alternative, more effective form of EU fight against poverty and social exclusion, the basis for which is unclear. It felt that the OMC has:

- allowed debate on social policy to recommence at EU level;
- introduced this crucial issue in the new Member States and had allowed for the first time a full picture of the reality of poverty and exclusion in the new Member States;
- provided a human face to the work of the EU (the importance of this, in their view, was underlined by the negative referenda votes on the European Constitution);
- allowed for an exchange of experience and learning and helped to forge new relations and alliances, for example, between actors such as NGOs, local authorities, policy makers, academics, trade unions, administrators, etc.;
- prepared the ground to ensure a meaningful EU Year against Poverty and Social Exclusion in 2010;
- ensured that there is an understanding of the multi-dimensional nature of poverty and not just a focus on employment as the answer to the problem of poverty and social exclusion.

At the national level, it found that the OMC had:

- inspired some Governments to establish multi-annual projects on social inclusion;
- assisted in clarifying and coordinating policies and helping build coordination between ministries and departments, strengthening the principle that all areas of Government must work against poverty and social exclusion;
- created structured opportunities for dialogue between different actors, especially NGOs and Government; and
- provided information and ideas from other countries in a co-ordinated way.

The issues covered in the comprehensive EAPN response are echoed in the submissions of other NGOs, although the tone varies in important ways. The Combined European Bureau for Social Development (CEBSD) echoes the EAPN's listing of issues but considers that the method has been hampered by the limited extent to which NGOs can make a “significant” input to the process. The European Disability Forum (EDF) points to the difficulty its national constituent organisations faced in finding out about and getting involved in the process. Solidar and ATD Fourth World felt that there had been a real impact, particularly in new Member States, but concluded that the process was insufficiently visible at national level.

Others combined general comments with comments on how the OMC addresses issues which are of specific concern to them. Thus the European Older People's Platform (AGE), addressing first of all the inclusion OMC (its comments on the pensions process are noted below) was positive in its assessment. However, it expressed concern with how issues related to poverty among the elderly, a specific concern, had been neglected. By contrast FEANTSA’s (the European Federation of National Organisations Working with the Homeless) generally favourable remarks about the OMC inclusion as a process were backed up by its positive assessment of
how the process had raised the profile of homelessness as an issue. Eurochild also feels that the OMC has brought about an increased awareness of the issue of main concern to it, i.e. child poverty.

NGOs who participated in the various national seminars tended to echo the positive perspective on the process just reported. One additional element comes through from this group: from the perspective of actors at the national or sub-national level, the process was often seen to be remote and its engagement with their concerns weak. Engagement with the process is often hampered by the scarcity of resources among NGOs. In addition to better engagement with national inputs to the OMC, NGOs at this level would also like more opportunities to participate in learning activities.

Few NGO submissions commented at all on the pensions process. FEANTSA commented critically on what it perceived to be a lack of structured participation by civil society groups, referring to it as a “technocratic” process. AGE saw added value in that it allows the EU to develop a common understanding of issues like adequacy, sustainability and modernisation of pensions and provides a mechanism for debate about such an important aspect of social protection systems at EU level. It referred to two particularly positive points. Firstly, the OMC has focussed on outcomes. The 'objectives-oriented' approach allows policy-makers to assess different reform proposals, and to get involved in a mutual learning process, instead of being slowed down by nation-specific semantics. Secondly, it has not sought to promote one single pension reform model in Europe and, as such, has respected the principle of subsidiarity. AGE felt it important that the OMC should be about a convergence of objectives, not a harmonisation of systems.

Other actors
The Council of European Municipalities and Regions (CEMR) felt that the OMC had significantly contributed to developing a shared understanding of the challenges of an inclusive society, and that the obligation to draw up National Action Plans (NAPs) had helped to raise the political profile of social inclusion in Member States and to mainstream social inclusion concerns across a wide range of policy fields. It supported the way the OMC has contributed to promoting coordination between different government departments and levels of authority. Nevertheless, it saw a great need for a more real and formalised consultation with local and regional authorities, on the basis that these were the levels of government closest to those experiencing poverty. EUROCITIES feels that the potential positive impact of the OMC is limited by its being seen primarily as a coordination tool between the EU and the national levels and that the process has failed to truly involve the representatives of regional and local authorities.

The European Association of Public Sector Pension Institutions (EAPSPI), referring only to the pensions process, found the OMC helpful in enlarging the scale of possible policy solutions to the players responsible. While concluding that the influence of the OMC has yet not been very strong on policy choices in relation to its area of direct concern – design of public sector pension systems – it observed that reforms are more easily accepted when the competent players refer to the situation and experience in other countries, citing its experience in Finland as an example; the OMC would expand policy choices in this way.
EQUINET, an umbrella group for national equality authorities, welcomes the way in which the OMC in both pensions and inclusion has promoted a focus on equality before going on to make suggestions as to how this could be improved and sharpened.

The German government’s national submission presents the views of a large group of policy actors, representing social partners, social insurance providers and pensions institutions. Broadly they are favourable to the OMC. However, some organisations expressed the view that the OMC risked being inefficient and bureaucratic and that it could bring about a stealthy increase in the EU’s powers.

2.2. Question 2. The common objectives

Are the common objectives still in line with key policy priorities and do they still address the most important challenges as identified in the most recent Joint Reports?

Respondents were asked, in particular:

- Have the objectives addressed all priority policy issues or have there been major gaps or blind spots?
- Has too much attention been devoted to a specific issue (in relation to its political importance)? Are there any objectives that might have become obsolete?
- Among the common objectives, across the different policy sectors, has there been overlap?
- Have the common objectives been formulated in a too general or abstract way, just about right or in a too detailed or narrow way?

Member States

Generally, Member States appear to be content with both present sets of objectives. The suggestions they make are frequently for adjustments to the objectives and would not constitute major revisions. The subsidiary questions – on possible gaps, obsolescence, whether the objectives are too abstract or too narrow – did not elicit many comments. The question of overlaps, notably with the employment strategy, did.

Finland, Estonia, Hungary and the Czech Republic feel that common objectives should continue to be broad and general: this allows Member States to refer to them while taking account of specific national interpretations of the objectives and national priorities within them. In general, these countries would not favour defining new or different concepts at this stage. Greece also supports maintaining broad objectives but suggests that future guidance notes for the preparation of national reports should accompany the objectives and would allow scope for setting priorities for action in specific areas which require immediate attention.

Italy feels the need to revise the common objectives for two reasons: firstly, in order to take account of the changes in the direction of the Lisbon strategy; and, secondly, to draw on the way in which the analysis of issues has itself progressed, in the OMC and in other international dialogues. Latvia would also like to see the interaction with employment better reflected.
Sweden favours changes in the common objectives for social inclusion to focus more directly on people with disabilities and on children, and to have gender equality as an overall principle. It criticises as ambiguous the language currently used in the objective in favour of "action to preserve family solidarity in all its forms". Also for social inclusion, Ireland, while broadly content, would like further clarity in relation to some issues, such as access to rights, and would like a less rigid separation between the issues dealt with in relation to employment/access to rights and those addressing the needs of at-risk groups. Hungary feels that the split between inclusion objectives makes it easy to miss out on certain aspects of policy, such as the regional dimension of exclusion.

Denmark sees overlaps with the employment guidelines which need to be avoided. The Czech Republic feels that such overlaps are inevitable, given the multi-dimensionality of poverty, which does not allow the problem to be solved through one institution or one set of policies. Broadly on the same basis, Ireland, Slovakia and Latvia do not feel that such overlaps hamper the process. Malta feels that it is on balance a strength as it highlights the need for cross-disciplinary working. Estonia feels that, provided there is consistency between the employment, pensions and inclusion processes, an overlap between objectives is not a problem. Austria does see some overlaps between the pensions, inclusion and employment objectives, but feels that these can now (after the revision of Lisbon and in the context of streamlining) be addressed correctly.

Austria makes the following specific proposals as a basis for future objectives in relation to inclusion:

- define minimum standards in the field of social security;
- take the multi-dimensionality of poverty into consideration as a cross-cutting issue;
- stress the importance of participation in employment, together with objectives to reduce the "working poor";
- formulate objectives in respect of the core groups of people experiencing poverty (homeless, heavily indebted and fully incapacitated people etc.);
- pay special attention to the challenges posed by child poverty.

Estonia feels that there is a gap in the inclusion objective in relation to child poverty, which contrasts with the very full treatment of employment as an inclusion issue.

Spain suggests that inclusion objectives in future could say more on poverty and exclusion linked to migration and ethnic minorities, stress equality between men and women, pay more attention to the prevention of poverty and deal resolutely with the phenomenon of homelessness. However, Slovakia and Latvia both felt that too much emphasis was given to social inclusion among immigrants. Poland wanted a better focus on people with disabilities. It also made the broader point that the language in which the objectives were written did not help with the objective of making them widely understood.

There were few concrete suggestions for change to the pensions objectives; most Member States felt that they were good and balanced. Slovakia favoured a reduction to 2 or 3 core objectives. Germany saw potential to reduce the overall number of goals, seeing overlaps between the current goals 4 and 5, and 6 and 7, and within goal
8. **Portugal** favoured more precise wording of objectives 5 and 7. **Denmark** wished to see more space in which to present the role of public services and benefits in kind provided expressly to older people (e.g. housing and heating allowances, medical and care provision).

Some other Member States set out suggestions for the future common objectives in their answers to question 7.

**Social partners**

**CEEP** is of the view that there are too many objectives and that there should be more focus on priorities. Moreover, the objectives are rather broad and abstract, and the lack of concrete targets is regrettable.

**ETUC** feels that the order in which the common objectives for pensions are stated – adequacy first, then sustainability and modernisation – is important; however, in practice some Member States have not respected this order of priority and have concentrated on sustainability. A more precise formulation of objectives would help to avoid this. For inclusion, a more precise formulation in relation to how employment can contribute to fighting exclusion – they propose a reference to "quality employment", not to employment per se – would help to expose the growing problem of the working poor. **ETUC** would also welcome framing quantitative targets as a means to clarifying objectives.

**UNICE** also accepts the balance of the pensions objectives while feeling that sustainability in particular needs to be the focus of reforms.

**UEAPME** sees overlaps between the pensions and inclusion objectives as well as the employment objectives. The solution, it feels, lies in ensuring good coordination.

**NGOs**

A large number of NGOs do not favour changing the current common objectives. The **Social Platform** feels that the objectives for both social inclusion and pensions fields are satisfactory. It expresses great concern that any future streamlining of objectives might reduce their usefulness in guiding policy in the three different strands. The **EAPN** makes the same point, stating that the aim of simplification should not take precedence over effectiveness. **AGE** and **ATD Fourth World** are of a similar view. They suggest that, if there is a need to focus the work on specific issues at specific times, this should be done not by changing the objectives but by providing operational guidance to Member States as to what priorities need to be addressed in their national plans/strategies.

**Eurochild** feels that the seven key priorities for social inclusion policies identified in recent joint Inclusion Reports would be a good starting point for defining new common objectives for inclusion. The **FEANTSA** favours a similar approach.

**The EDF** feels that the concept of "vulnerable groups" in the inclusion objectives is too vague to be useful in bringing about useful interventions in favour of people with disabilities.
**Solidar** argued that mobilisation of actors should become a requirement of the process across all three policy fields.

Further NGO views on the common objectives are contained in their answers under Question 7.

**Other Actors**

**EUROCITIES** thinks that the objectives need to remain broad to accommodate Member States' differing priorities. It feels that the overlap with other processes such as employment is necessary and positive. The **CEMR** favours a stronger form of words for the fourth inclusion objective for involving actors, to refer to the need to formalise such involvement and to strengthen, where necessary, the implementation capacity of local and regional authorities. **Equinet** favours a specific common objective in the streamlined context on promoting equality of opportunity.

### 2.3. Question 3 - Indicators and targets

*Have indicators fulfilled their role in monitoring the progress achieved towards the common objectives? Have targets proved to be both feasible and effective in driving forward more ambitious policy reform?*

Respondents were asked, in particular:

- Is the quality of available data sufficient (both European and national data), in particular in view of their policy relevance and timeliness?
- Are the agreed indicators in line with the existing objectives and are they an effective tool for monitoring the progress achieved?
- On the basis of the indicators that have been used in the Joint Inclusion Report and Joint Pensions Report, please indicate in which areas you feel that improvements should be made.
- Are there indicators that are considered to be obsolete or insufficient to achieve their monitoring function?
- What should be the role of national indicators?
- Have national targets been used in an appropriate way, and is there scope for extending their use?
- Indicate in which areas it might be possible and appropriate to develop EU targets.

**Member States**

This question gave rise to lengthy and detailed answers from Member States in which they underlined the importance they attached to indicators, referred to by **Denmark** as one of the "key tools" of the OMC.

By and large, they feel that good progress has been made in defining common indicators, considering the diversity of situations and systems and the difficulties stemming from certain weaknesses in the sources and linked to the transition between the European Community Household Panel (**ECHP**) and EU Statistics on Income and Living Conditions (**EU-SILC**). Indicators, particularly in the inclusion domain but also for pensions, are generally seen as doing a reasonable job both in underpinning...
EU-level exchange and in animating national policy making. Estonia argues that both Member States and the Commission can make better use of the indicators currently developed both in the national reports and in future Joint Reports. The need to be strategic and to limit the overall number of indicators used is acknowledged to a greater or lesser extent by all delegations, even those putting forward ambitious development plans. Finland states that it will always be necessary to make compromises and that fully satisfactory indicator coverage at EU level is simply not possible.

There is considerable discussion of the quality of EU data – among the difficulties cited are: poor timeliness, lack of continuity, reliability (particularly of breakdowns used to monitor the situation of specific groups within Member States), and poor coverage of certain groups and ambiguity of interpretation. The move to EU-SILC will resolve some quality issues but not others and a concern with monitoring quality needs to be maintained within the European statistical system (Belgium and France).

All Member States recognise that national data must continue to play an important role in the process: to illustrate issues which the common indicators cannot; to make the link, vital for policy monitoring, between common objectives and national policies; and as a basis from which future common indicators can be developed. The difficulty of relating changes in the common indicators to the policy effort within each Member State is widely acknowledged (Finland, Hungary and Luxembourg). Luxembourg and Belgium acknowledge that national indicators are necessary for mobilisation of the national policy effort. Hungary points out that this means that the continued development of national indicators as a means to support evidence based policy making, monitoring and evaluation is important to the future of the OMC and argues that more attention needs to be paid to their quality. Poland states that sometimes its national approaches, for example, its use of panel surveys or measurement by reference to household spending as opposed to income, are better at measuring the common objectives in a Polish context than the EU data; while not proposing to change the common EU approach, it would wish to retain and continue to draw on the national approach. Slovakia feels that improving its national data for monitoring exclusion is, in effect, more useful than progress on the common data. It is, in this respect, currently developing approaches to measure absolute poverty via national data. Luxembourg and Portugal further point out that there will also be a need to rely on administrative data for pensions and health and long-term care. Such approaches may reduce comparability across Member States but, nevertheless, they are necessary to allow the OMC to continue to drive national policy making.

The Czech Republic, Slovakia and Greece point to the positive influence which the OMC and the creation of EU-SILC have had on national data collection. They point out that some data necessary for monitoring poverty and exclusion is not yet covered in the national statistical system and that EU-SILC will in fact put these at their disposal for national policy making for the first time. Hungary similarly points to how EU-SILC will solve some, but not all problems of data quality and comparability; nevertheless, problems in tracking the persistence of poverty and the situation of the Roma will continue.
Member States are divided on whether it is possible and desirable to place greater emphasis on target setting. **Cyprus** feels that targets have the potential to drive forward more ambitious policy reform. **Estonia** and **Malta** refer to target setting as an integral part of national policy making. **Latvia** refers to its adoption of a number of inclusion targets as a good approach, but has no plans to extend it. **Slovakia** is in the process of preparing national data which could serve as a basis for setting targets; it wants to be fully free in choosing how it might do so.

**Denmark** feels that "this is not the time" for target setting. **Italy** does not feel that it has the instruments for policy monitoring and evaluation necessary for setting targets. The **Netherlands** considers that relative income indicators are not a good basis for setting targets because the income threshold fluctuates, creating a moving target.

Few Member States would favour developing common EU targets. **Estonia** sees advantages in terms of their visibility but acknowledges that they would be very complex to develop. **Slovenia** feels that it might be possible to agree a common EU target on reducing the at-risk-of-poverty rate. **Luxembourg**, referring to the arguments discussed in the June conference on taking forward the EU social inclusion process, does not favour EU-level targets; neither do **Ireland** or the **UK**. **Luxembourg** instead suggests benchmarking by reference to the performance in specific areas of the three best EU performing countries. However, **Greece**, having set national targets, favours examining possible EU-level targets in the following areas: decent housing conditions, homelessness, child poverty, social services, and accessibility for people with special needs. **Italy** feels that common targets could be established for very precise policy goals e.g. portability of pension rights or raising the activity rates of older workers provided that indicators are agreed and are technically adequate. Latvia suggests the possibility of allocating responsibility to each Member State for progress towards a common objective, e.g. each Member State could increase employment participation workers aged 55-64 by 0.5% every year.

**Indicators to be developed**

Among the suggestions for indicators to be developed are the following. Some of these were already listed for development within the Laeken indicators; some are new:

Qualitative indicators, for example to measure compliance with the aim of involving stakeholders (**Luxembourg, Poland**); indicators to cover housing/homelessness (**Belgium, Luxembourg, Finland, France, Netherlands, Portugal**), material deprivation (**Belgium, Greece, Estonia, Ireland, Luxembourg, Poland, Austria**) and absolute poverty (**Italy**); a child-focused indicator to facilitate national target setting in that area (**Luxembourg**); access to healthcare and health status (**France, Netherlands, European Social Platform**); indicators on making work pay (**Czech Republic, UK**); immigration and disability (**Estonia**); illiteracy (**Finland**); social participation (**Greece**); regional inequalities and regional at-risk-of-poverty rates (**Greece, Slovenia**); greater use of the long-term unemployment indicator in the exclusion process (**Netherlands**); employment of disadvantaged groups and workless households (**UK**); access to goods and services (**UK**). **Spain** would wish to see development of what it calls a "global" indicator for progress towards greater social cohesion in the context of the new Lisbon strategy. **Belgium** and **Luxembourg** would
wish to see work on how better to ensure coverage of people not in private households.

While not proposing specific new indicators, Italy and Hungary raise questions to do with the choice of the OECD modified equivalence scale used in compiling income-based indicators and would wish to see change in that area.

There are, by contrast, few suggestions to drop indicators. The Netherlands suggests dropping the at-risk-of-poverty indicator set at 50% of the median income and the in-work poverty indicator. The UK finds the indicator ‘at-risk-of-poverty anchored at a moment in time’ confusing and difficult to explain. The UK expressly asks that there should not be indicators relating to the objective of involving actors. Sweden suggests changing the indicator "early school leavers not in further education or training", to “poor readers at age 15” (as used in the PISA survey) while UK would replace it by “proportion of 22 year olds in the EU who have completed ‘upper secondary’ education”. To make room to develop new indicators, Luxembourg suggests dropping three secondary Laeken indicators: the persistent at-risk-of-poverty rate set at 50% of median income, the long-term unemployment share and the very long-term unemployment rate.

It is accepted even by proponents of new indicators that there is a risk of overloading the list. Germany strongly urges caution in expanding the list.

Turning to pensions issues, several new Member States do not feel that they are yet in a position to comment. Some Member States either caution against expanding the list of indicators for pensions, or already feel that there are too many (Latvia, Netherlands, Austria).

Improving comparability of data on the second and third pillars, including indicators with regard to the cost and coverage of such pensions (Italy), is seen as an urgent need by several Member States. The difficulty of making comparisons across countries on the basis of the agreed indicators on replacement rates is referred to widely. Nevertheless, Finland supports their further improvement as does France, which wants to extend development by introducing "prospective replacement rates" and simulating real-life transitions to retirement via microsimulation models. They also call for a technical reflection on how to protect retirement incomes from financial market fluctuations.

Greece feels that the priority should be to develop indicators assessing the impact of pension reforms on pensioners’ income and, generally, assessing what it refers to as the "social viability" of pension systems. Ireland points to a difficulty arising from how EU-SILC is structured: income from personal pensions is specifically excluded in the EU-SILC definition of income while the Irish pension strategy sees an important role for such pensions. Nevertheless, Ireland suggests that the panel dimension of EU-SILC should be examined to see if actual replacement rates can be produced based on real-life outcomes.

Few Member States comment on the possibility of target setting in the pensions area: Malta and Finland are both against.
Austria feels that national indicators should be given a bigger role in the pensions process. Spain would like better verification of the AWG's common expenditure projections by reference to national data.

For health and long-term care, the Czech Republic thinks the objectives must be adopted before work on health and long-term care can begin. France hopes that Eurostat will be able to develop a harmonised survey module on health for 2008. The UK states that the OMC should not lead to the development of new health indicators but should use information that Member States already provide, should facilitate mutual learning and should not aim to compare performance between systems.

Finally, Member States made a number of comments which relate to the process by which indicators are developed. Germany asks for reassurance that the Member States will continue to be at the centre of the process and that there will be no transfer of responsibility to other bodies (e.g. the Commission working with the OECD). Denmark feels that the work places "massive demands" on Member States and needs to be handled well and that the working method of the Indicators Sub-Group needs to be evaluated and adjusted. The financial cost to Member States of indicator development is raised by Greece. Portugal also feels that national statistical capacity is an important constraint on the pace of development and quality of indicators for the OMC. Austria feels that the process of developing indicators could be made more efficient if there was greater clarity in advance regarding the aim of development work and greater prioritisation. Poland feels that there should be work to promote better knowledge of indicators among other policy actors, for example, local and regional authorities.

Social partners
The CEEP advocates better comparability of indicators and feels this is particularly needed in relation to pensions.

The ETUC would in general favour the development of quantified targets based on the indicators developed to date as a means to improve policies. It sees a range of possible targets in the inclusion field and a more limited range for pensions and health and long-term care.

The UEAPME favours the development of indicators on homelessness. For pensions, greater comparability across systems is required.

UNICE favours using a limited number of focused indicators and would seek improved comparability of statistical data to ensure more rigorous monitoring and evaluation. Regarding targets, UNICE would rather focus on the critical analysis of national policies by Member States, than set targets at EU level.

NGOs
The EAPN sees the formulation of targets as being one of the main reasons for having indicators. It recalls the Lisbon objective “to make a decisive impact on the eradication of poverty by 2010”. Based on this, it would favour an EU level "headline" target related to reducing numbers in relative poverty and the depth of poverty experienced. Its proposal is to set a target for reduction both in the overall EU rate (presently 15%; it suggests a target of 12%) and in the maximum Member State
level (presently 21%; it suggests 18%). To address the depth of poverty, a linked target for reducing numbers under the 40% median income line would be envisaged. This proposal is supported by AGE. Solidar would wish to see the aim of making "a decisive impact on the eradication of poverty by 2010" adopted as a target for the Lisbon strategy as a whole.

Noting the variation in national approaches to national target setting, the EAPN and Solidar would support mutual exchange on the issue. The EAPN would also favour work to promote ownership and national awareness of the common indicators.

ATD Fourth World would propose to involve people experiencing poverty in the work of developing indicators. It argues that indicator development must not only address common indicators but the national, regional and local levels as well. While supporting targets, it cautions against setting targets which could have the effect of worsening the situation of people in chronic poverty.

The CEBSD argues for a more bottom–up approach in indicator development. Work on indicators done in some EU-funded projects, or in different national projects, does not appear to have influenced developments within the OMC. More European exchange is needed on developing early indicators to illustrate social trends.

Eurochild favours the development of common child-specific indicators to measure child poverty on the national and European level, with input from children and young people.

The EDF would favour the formulation of EU-wide targets for the eradication of poverty. This would help to bring about a higher public profile for the OMC and in turn this would focus opinion on who is responsible for non-implementation of the objectives of the OMC.

The FEANTSA sees the need for major development both of indicators and targets for housing and homelessness. It has developed a European typology for data collection on homelessness and housing exclusion (ETHOS), drawing on the experience of service providers, and proposes it as a basis for indicator and target development.

The European Federation of Retired and Older People (FERPA) seeks development of qualitative indicators alongside quantitative indicators, plus the development of a limited number of priority targets. For pensions, it seeks indicators on the evolution of replacement rates of first pillar pensions; on the evolution of the purchasing power of first pillar pensions; and of the purchasing power of pensions generally.

AGE for the most part addresses indicators for the pensions process. It argues that indicators need to be broken down into smaller age groups, with 65+ an unsatisfactory indicator of the specific situation facing older people. It says that income indicators alone are insufficient to reflect the realities facing older people, notably the situation where people have to pay for care and support. More needs to be done to develop non-income indicator services based on evidence such as social participation, living alone, etc. AGE welcomes the initiative of the Pensions Forum to develop a methodology to improve international comparability of supplementary pension
systems. It criticises the SPC's work on prospective replacement rates, saying that modelling on the basis of 40-year, full-time participation in the labour market is not a realistic reflection of people's labour market histories.

Regarding targets, it would favour national targets for a minimum income in old age plus qualitative minimum standards in terms of certain pensions governance issues, such as protection of pension rights and control of occupational pension schemes.

Among the indicators suggested for further development by a range of NGOs are: housing and homelessness, participation in society, educational attainment and illiteracy. Generally NGOs would envisage target-setting on the basis of such indicators.

**Other actors**

The CEMR would seek to promote more use of regional and local level data. This would require work to make these comparable at EU level. It feels that regional and local level indicators will be particularly important in the field of health and long-term care. It would favour developing new indicators relating to benefit dependency, social participation, housing and access to healthcare and essential public services.

The EAPSPI calls for stricter checks on the sources and methodology of national data.

Equinet feels that the common objectives should, where possible and appropriate, be disaggregated according to gender, disability, religion, age, race and sexual orientation. An equality-specific indicator should be developed in the field of pensions and of social inclusion. More data gathering and analysis should be required in relation to groups experiencing inequality, using qualitative data where quantitative data is not available.

EUROCITIES favours increased harmonisation of data to make it easier to understand, adapt and transfer learning between Member States. Greater use should be made of qualitative indicators.

**Analysis of Questionnaires on social protection/inclusion OMCs**

**2.4 Question 4 - Mobilisation of all actors and co-operation at national level**

*Has the OMC, on the national level been implemented effectively and in a way conducive to better coordination between different government departments and levels, and to greater mobilisation of stakeholders?*

Respondents were invited to address the following issues:

- The process of preparing, drafting and approving NAP/NSR;
- The involvement of national parliaments;
• The coordination within the government (i.e. between the different ministries etc.) including the links to the preparation of the budget.

• The consultation of other relevant actors, such as stakeholders from the civil society or social partners. Has this consultation produced a visible impact?

• The mobilisation of actors on the national level. Has it been effective? Have new structures been created as a consequence of the application of the OMC, in particular in view of ensuring the participation of all concerned actors?

• The dissemination of national action plans/strategy reports and of joint reports. Is the level of public awareness of the OMC satisfactory?

General remarks
The majority of responses, whether from Member States or NGOs, suggest that, especially in the field of social inclusion, the OMC has made a useful contribution in many Member States both to mobilising stakeholders and to developing increased coordination across government ministries and between the national, regional and local levels of government. However, perceptions of the extent of this impact vary significantly between stakeholders and from country to country. Furthermore, it is often stressed that the progress that has been made is only a start and that much remains to be done. The impact tends to be stronger in those countries where policy on social inclusion and social protection issues was previously less coordinated and the mobilisation of actors (i.e. social partners and NGOs) was previously less developed, especially in several of the new Member States. Even in those countries where the process has had a significant impact there is a fairly widespread feeling that it remains largely hidden from public perception.

Member States’ views on preparing NAPs and NSRs
Most Member States set up committees involving relevant ministries and agencies to co-ordinate the preparation of the plan. Most have also consulted a range of different actors in the process of drafting the plan. This ranges from holding seminars, inviting submissions, and sending drafts of the NAPs out or putting them on a web site to invite comments. The involvement of national parliaments seems to have been quite limited: a minority of Member States submitted the plans to parliament. Most plans were formally approved by cabinet.

Several of the EU15 highlight how the process of preparing the plan improved between the first and second NAP. Greece stresses that there was marked improvement in cooperation with other departments and agencies and increased social partner involvement in the second plans. The UK stresses the improvement in mobilisation both of NGOs and local government. Ireland stresses that the second NAP inclusion process was better integrated with the existing national coordinating arrangements.

Several countries (Belgium, Finland, France, Germany, Ireland) stress that they took advantage of pre-existing coordination and consultation arrangements to prepare their NAPs, in some cases developing them further. For instance, Belgium uses federated structures but has added actions and indicator task forces to prepare and
follow up the NAP. In several Member States (Cyprus, Czech Republic, Estonia, Luxembourg, Latvia, Poland, Slovakia, Spain), new arrangements have been put in place specifically to coordinate the preparation of the NAPs and policies on social inclusion. In several countries with strong federal or regional structures (Belgium, Italy, Spain) emphasis is put on building the NAPs on the basis of strong regional contributions.

Some Member States directly involve different ministries and representatives of other actors (social partners, regional and local government, NGOs) in working groups to draft NAPs; others limit the involvement of non-governmental actors to meetings, seminars and written submissions and comments. It is evident that there is a great variation in the extent of coordination and the depth of consultation.

NSRs: There is much less information given on the process of preparing NSRs. However, it seems to have involved a much smaller group of ministries and less emphasis on broader consultation. The most common scenario is for the report to be prepared by the relevant department (normally social affairs/social security), sometimes in consultation with other departments. Then, in some cases, a draft is discussed with social partners. The involvement of NGOs tends to have been quite limited, often involving only a small number. Some countries (France, Netherlands, UK) stress that there were already quite active debates on national pension systems and there were existing fora and working groups to discuss these issues.

Mobilisation of Actors
There is widespread recognition among Member States of the importance of mobilising and consulting stakeholders on social inclusion policies, including, to some extent, people who are experiencing poverty.

The scale and quality of the mobilisation and consultation varies significantly, as does the extent to which it has been formalised. This appears to depend to some extent on the different traditions and experience of Member States and the extent of organisation of the different actors. In several countries (Finland, Germany, Sweden), well established procedures for consultation and involvement in the preparation of major social policy documents have been used. Others report (Cyprus, Belgium, Denmark, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Spain, UK) that consultation and involvement has increased as the process has developed. However, several Member States (Belgium, Hungary and Latvia) specifically acknowledge that, while real progress had been made, mobilisation has only been partly successful and there is much still to do.

In relation to the NSRs, the involvement of stakeholders in their drafting has been much more limited, though several Member States report that they have consulted, to varying extents, social partners and NGOs. Some Member States are perceived to have done more in this regard (for example the Netherlands).

Co-ordination and Mainstreaming
At the heart of the social inclusion process is the understanding that, given the multi-dimensional profile of poverty and social exclusion, effective responses have to be co-ordinated across a range of different policy areas and a concern with promoting social inclusion mainstreamed into national policy making.
Several of the new Member States have put in place new arrangements to co-ordinate policy in this area. **Cyprus** stresses that the OMC has been implemented with great success across different government departments. The **Czech Republic** emphasises that inter-ministerial co-ordination has been enhanced with the creation of a Committee for Social Inclusion by government resolution. **Estonia** has established a Steering Committee of different ministries. In Hungary an Inter-Ministerial Committee to Combat Social Exclusion is promoting an integrated approach. **Latvia** has ensured cooperation between ministries by using special interministerial working groups. **Malta** is consolidating mobilisation and co-ordination through the creation of a social inclusion team within the Ministry for Family and Social Solidarity. **Slovakia** says that the NAPs working group has created the basis for horizontal and vertical coordination and intersectional coordination.

New developments are also evident in many EU15 Member States. **Greece** stresses that the OMC has prompted a significant increase in interaction between different policy sectors. **Belgium** (Interministerial Conference on Social Integration) and **Ireland** (Cabinet Committee on Social Inclusion and Office for Social Inclusion) have further developed their arrangements for coordinating and mainstreaming policies. **France, Italy** and the **Netherlands** report that the OMC has reinforced interdepartmental work and partnerships. **Luxembourg** reports that its interministerial committee allows joint government action and a multi-dimensional approach and has engaged ministries that were less aware of their social inclusion role; **Spain** has created a new Inter-ministerial Commission to oversee coordination.

Some Member States such as **Germany**, Sweden and **Finland**, with well established policy processes in these areas, see less impact from the OMC in this respect. **Germany** stresses that for the NSR there was already good co-ordination within government departments and in the case of the NAP the fight against poverty and social exclusion was already an integral part of an inter-ministerial coordination process. **Sweden** emphasises the normal procedures that already exist for consulting with departments. **Finland**, stresses that it is established practice that the most important social and health policy documents and strategies are prepared in broad based-working groups.

A few countries highlight limitations in implementation of the NAPs. For example **Poland** states that the recommendations formulated are often not directly feasible and are thus not prioritised by many ministries. **Estonia** stresses that it is difficult to link the OMC to the budgetary process as it is not a strategy in its own right but a compilation of different national strategies and action plans. **Hungary** says that due to their specificity, the NAPs cannot have impact on government budgetary decisions.

From the submissions it is difficult to get a clear picture of the impact of the coordination processes and the extent to which the two processes are really mainstreamed into national policy making. Only a few countries (**Denmark, Greece, Finland, Ireland, Slovakia**) highlight positive links being made to national budgetary processes. **Luxembourg** says that there is no separate budget allocation but that individual measures are covered in budgets of relevant departments. The difficulty of assessing the actual impact of improved policy coordination is increased by the lack of attention given to monitoring the process. In this regard **Belgium** says that
evaluation needs to be strengthened and Greece reports that monitoring mechanisms are being put in place but further development is needed. Denmark suggests formalising monitoring at national level and floats the idea of a European NAP institute to handle monitoring and implementation.

National, Regional and Local Coordination
The links between the development of NAPs and the regional and local levels vary widely across Member States and are almost exclusively limited to the social inclusion process. However, a key conclusion that can be drawn from the questionnaires is that this is an area where there is a high level of interest and significant potential for development in the future, both for inclusion and also for health and long-term care.

Many Member States (Austria, Belgium, Czech Republic, Finland, Hungary, Luxembourg, Latvia, Netherlands, Spain, Sweden and the UK) state that they involve representatives of regional and/or local authorities in the preparation of National Plans. Furthermore, coordination between different levels of government in preparing and implementing plans seems to be gradually increasing in several Member States. For instance, Austria highlights evidence of intensified co-operation between the provinces and the Federal Ministry. Greece points to increased cooperation of central government with regional and local authorities although acknowledging that this is still limited and needs further improvement. The Netherlands talks of the positive impact of the NAPs on links with representatives from local and regional governments but also points out that it is difficult to disseminate the OMC at local level as the process is considered abstract by local policy makers. Spain highlights increased cooperation with regional and local authorities while also emphasising the need for further improvement. Sweden talks of the growing involvement of cities and local authorities. The UK reports on regular dialogue with the Local Government Association and increased dialogue with devolved administrations, though it also notes that there is still little knowledge of the process at local level. The need to do more to link the national and local levels is quite a common theme. For instance, Denmark highlights the need to do more in view of the forthcoming local government reform. France stresses the need to deepen partnerships for economic and social change including at the territorial level and with local collectives. Hungary reports on plans to elaborate regional strategies for social inclusion. Latvia says that the impact of consultations at local and regional level is not particularly visible.

Role of National Parliaments
The level of involvement of National Parliaments in contributing to, commenting on and monitoring the OMC is generally perceived as quite limited. While several countries (Cyprus, Czech Republic, Finland, Germany, Hungary, Latvia, Luxembourg, Netherlands, Sweden) indicate that national parliaments or their relevant committees have either been consulted during the preparation of reports or have received copies of them and in some cases discussed them, in general their involvement is not perceived as significant.

Luxembourg suggests that greater involvement of national parliaments in the process would be a good thing as it would increase the democratic legitimacy of the processes.
Lack of Awareness

Most Member States (Cyprus, Czech Republic, Belgium, Denmark, Estonia, Greece, France, Hungary, Luxembourg, Latvia, Netherlands, Poland, Slovakia, UK) express concern that the OMC processes are very little known by the general public. This is perceived as damaging to the development of the processes. Several also suggest that knowledge of the process at both national and, especially, local levels is limited to a narrow group of officials, NGOs, social partners and experts. There is consensus that increasing knowledge of the OMC processes is a key challenge for the future.

This lack of awareness is attributed to a number of factors. These include: lack of political engagement and commitment including the limited involvement of national parliaments; lack of involvement of local and regional authorities; lack of visibility at Spring Summits; difficult language and the use of jargon. However, several responses do highlight some efforts to increase awareness. These include: involving the media in seminars (Cyprus, Latvia), awareness raising projects supported by the Community Action Programme on Social Exclusion (Czech Republic, Hungary), publishing on a web site (Belgium, Estonia, Luxembourg, Latvia, Slovakia, Spain, Sweden), and dissemination through stakeholders’ networks and conferences (Slovakia). Other positive aspects highlighted include high demand for printed copies of the NAPs in Sweden and distribution of NAP and EU15 best practices to relevant NGOs in Spain. Slovenia notes that the term "social inclusion" has started to be used in the media.

Social Partners

The mobilisation of social partners in both processes is generally perceived as quite limited and very patchy across the EU. ETUC stresses that social partners have not been sufficiently, if at all, involved in the work. When they are consulted by national authorities it is often at a stage when reports are close to finalisation and the scope for influencing matters is therefore limited. UEAPME, while acknowledging that some, but not all, countries include contributions from social partners, stresses the need for a more coherent approach which takes their views fully into account. Similarly, UNICE says that the information provided to and contacts with social partners left much to be desired. However, the picture is not entirely negative. Several Member States report that the social partners have been involved, normally through existing consultative arrangements. Poland, for instance, reports that the intensification of many debates on social inclusion at national level has contributed to more active behaviour by social partners.

NGOs

Many of the submissions from NGOs (AGE, ATD, CEBSD, CEMR, EAPN, EQUINET, FEANTSA, Social Platform, and Solidar) agree that the preparation of NAPs has contributed to mobilisation and co-operation. ATD Fourth World says that the OMC for inclusion has encouraged cooperation between actors and across different policy domains and from national to grassroots level that “would not have otherwise taken place” and that “this dynamic of mobilisation and co-operation at a national level is one of the most visible outcomes”. Similarly the Social Platform stresses that “the new relations and alliances created through the mobilisation of actors has been one of the important value-added elements of the OMC”. FEANTSA
concludes that "The regular consultation and inclusion of civil society in the different policy instruments of the OMC process means there is greater mobilisation and awareness in the current EU social inclusion strategy than in the other OMCs and this should serve as a model for all OMCs including the forthcoming streamlined OMC on social protection and social inclusion." Key European NGO networks are seen as having played an important role in supporting the mobilisation of NGOs within many Member States and in several countries there is clearly close co-operation between the national authorities and these networks.

While the mobilisation and involvement of NGOs is seen as largely positive, significant limitations are identified. The EAPN comments that "there is not a direct link between mobilisation of actors and the actual impact on policies and practices". Solidar and others comment that consultations have often been adversely affected by short timescales and that consultation is sometimes only at the very last stage. There is also a consensus that the involvement of actors needs to be more ongoing. AGE and FEANTSA state that most of the focus so far has been on mobilisation in relation to the preparation of plans and in the next phase there needs to be more focus on mobilisation around their implementation. There are also suggestions that, in relation to some key at-risk groups, mobilisation has not been sufficient. Thus Eurochild comments that "to a large extent, children and young people are still "disenfranchised" in the social inclusion process". AGE stresses that NGOs representing older people also need to be recognised at EU level in the NSR process. FERPA states that social partners have not been properly involved in the NSR process. The EDF considers that "consultation with disabled people's NGOs has been in general disappointing". The CEBS states the need to extend consultation to local communities, communities of interest (old, youth) and communities of identity (Roma). A key factor in ensuring NGO participation identified in some NGO submissions is the provision of financial support.

In general the broadly positive impression of enhanced policy coordination given by Member States is endorsed by the NGOs. The CEBS considers that the process has give impetus to more co-ordination between government departments However, several NGOs stress that cooperation needs to be further strengthened in many Member States and this raises issues of resources and capacity building. AGE stresses the need for more effective cooperation between those designing plans, setting overall political priorities and controlling finances.

On the issue of coordination between the central, regional and local levels of government, the EAPN, while acknowledging the OMC has contributed to an improvement, stresses that there is a need for tools to better integrate local/regional levels so that there is a bottom-up process that feeds the national strategy. It also acknowledges that the NAPs can be a difficult tool for some federal systems.

The OMC’s lack of visibility is seen as a serious weakness, a view shared by many actors (ATD, CEMR, EAPN, Eurocities, EDF, Solidar, CES).

Other actors
In general, this group feels that mobilisation and involvement in the OMC has been very limited and weak in relation to regional and local involvement. The CEMR considers that the consultation with the local and regional level has not always been
satisfactory. **EUROCITIES** goes further and talks about the involvement of most large cities as being "ad hoc, minimal and unsatisfactory"; in fact, it feels that only a very limited number of people have been involved within national ministries and that social inclusion still needs to be “mainstreamed through all other policy processes at national and EU level". It feels that the lack of involvement of such key actors represents an obstacle to the effective implementation of initiatives coming out of the OMC process. **EQUINET** stresses that the OMC has been important in stimulating better co-ordination and cooperation between the different agencies and the national authorities in the fields of pensions and social inclusion.

2.5. **Question 5 – Working methods at European level**

*Have the working methods developed at European level to promote mutual learning and discuss results of the open method of coordination been the most appropriate and effectively managed?*

Respondents were invited to comment in particular on the following types of activity:

- The contribution of the Community Action Programme to fight social exclusion, through the various actions that it supports (peer reviews, transnational action projects, awareness raising projects, EU networks of NGOs and local/regional authorities, studies, statistical data bases).
- The "*national seminars*" that were held in view of drafting the NAPs and NSRs.
- The "*peer reviews*" that have been held within the Social Protection Committee and the Indicators Sub-Group, following up the NAPs and NSRs.
- The seminars and conferences organized by the Presidency or the Commission to debate issues of interest for the OMC.

**Member States**

Many Member States used their responses to this question to underline that, for them, mutual learning and policy exchange lies at the very heart of the OMC and that the various tools which exist to facilitate such exchanges should be given more prominence within the process. The comments in this section tend to be quite concrete; for example, many Member States make proposals for improving the functioning of the peer reviews within the SPC.

**Ireland and Italy** state that exchange and mutual learning are a particular added value of the OMC and propose that these goals should be more strongly highlighted in a future streamlined process and that opportunities should be expanded. Linked to the same objective, **Poland** sees a need for "continuous and systematic organisation of seminars and meetings…for direct exchange of opinions, observations and practices." Austria makes the point specifically for the pensions process.

**Belgium** goes beyond the framework of the question to outline its views on certain fundamental issues regarding the future of the OMC, notably on the central role of joint reports. It outlines its wish to see more time devoted to in-depth analysis of issues; greater visibility for the process; to create reports which are less descriptive and more analytical and to ensure a greater emphasis on policy monitoring. Joint reports should create a stronger analytical framework which reveals good practices
more clearly, in this way facilitating mutual learning and promoting a stronger focus
on achieving the common objectives. The European Parliament should be invited to
examine them. Belgium criticises the practice by which the Commission publicly
adopts its report (and publicises it in the press) before discussing it with the Council.

Poland also comments that "monitoring of progress" towards meeting common
objectives needs to be handled better in the EU-level working methods.

Views on the input of the Social Exclusion Programme
In general the activities under the Social Exclusion Programme (SEP) are well
regarded. Luxembourg feels that their cumulative effect has been to help to build the
"shared knowledge base" about social exclusion. Several new Member States
comment that they have only limited experience of participation in the SEP but refer
positively to it nevertheless. Malta acknowledges that a lack of capacity among
Maltese NGOs and weak integration with the EU-level networks together with little
matching funding may be factors in limiting Malta's engagement with the various
studies and trans-national exchange projects. However, they hope that time will
remedy these problems. Cyprus makes a similar point. Slovakia feels that the
Programme should have the explicit aim of developing national NGO networks, at
least in the new Member States where such networks are still emerging.

Estonia acknowledges the direct impact of two studies under the SEP (on child
poverty and on homelessness) on their national policy making. Latvia and Slovakia
feel that the support for national statistical development from the Programme has been
valuable.

Many Member States highlight the particular value of the peer reviews under the
programme, pointing to how some of these, such as the review on homelessness in
London, have had concrete impact. Those new Member States which have
participated in these were particularly positive. The UK feels that they could be more
transparent.

The annual Round Table and the annual meeting with people experiencing poverty are
both welcomed. Czech Republic particularly feels that the meeting with people
experiencing poverty breaks new ground. Many Member States argued that both
events should receive greater visibility. Hungary would wish to see the dialogue
begun with NGOs at the annual Round Table developed further at the national level.
Spain feels that the Round Table should be less structured by its organisers, in order
to give a greater opportunity for civil society organisations to express their views.

Luxembourg feels that the awareness-raising projects funded under the Programme
have not had much impact; Hungary is more positive on the same point.

For the future, Member States want to see the continuation of such activities in
support of the OMC under the proposed "Progress" budget line and their extension to
cover the full breadth of the OMC and not just inclusion issues as at present. Hungary,
Latvia and Ireland see the need for better dissemination of studies. Italy
would favour fewer but stronger activities and projects, better integrated with the
policy exchange.
National seminars
Regarding the national launch seminars held as part of the process, Belgium feels that these were mainly focused on explaining the process to stakeholders and did not provide real input into policy making. Czech Republic and Estonia also felt that they were mainly concerned with informing interested participants about the process.

Some Member States point out that they did not hold such seminars to launch their National Strategy Reports for pensions (Latvia, Slovakia and Portugal). Portugal reflects that perhaps there was a case for doing so. Spain, by contrast, refers to its two seminars in preparation of the NSRs for pensions as being very valuable.

Peer reviews within the SPC
Member States felt strongly that the peer reviews held within the SPC should be made as efficient and effective as possible. They are seen as an important learning tool. Luxembourg would favour a change in their format to allow more focus on specific themes or institutional approaches. Belgium would also favour changes to make them more dynamic. More structured preparation would be needed (particularly when dealing with pensions) to make the exchange more meaningful. Estonia and Germany would favour more focused exchange, within smaller groups. France feels that peer reviews have worked well and recalls also the peer review within the Indicators Sub-Group on national calculation of pensions replacement rates. Italy feels that they should be stricter and that the Commission should play a bigger role. Netherlands would like peer reviews to be more open and critical of Member States' policies and would like a more structured follow-up. Ireland felt that it was particularly valuable to undertake peer reviews on pensions jointly with the EPC. Latvia would favour joint reviews with the Employment Committee (EMCO).

Although not referred to in the suggested question approach, some Member States refer to the SPC studies undertaken on different aspects of pensions policies and call for these to be expanded and extended.

Conferences and Seminars
A number of Member States cite particular conferences which have, in their view, played an important role in the development of the OMC or have had a useful impact on the national debate. The general view is that they play a useful role.

Social Partners
The ETUC feels that the methods used to involve stakeholders in the process, insofar as they have sought to involve the social partners, have been disappointing. There have been frequent meetings with the Bureau of the SPC; however, these have tended to be information meetings rather than a real involvement in the process and take place when issues are in the process of finalisation. Feedback has also been lacking.

The CEEP also calls for an improved relationship between the social partners and the SPC.

UNICE feels that the OMC has allowed some useful exchanges of experience on policies. Nevertheless, the processes are heavy and bureaucratic. The different timetables of the policy coordination cycles make them difficult to follow.
UEAPME reports that its national member organisations have found the national seminars on pensions and inclusions to be very useful.

NGOs
FEANTSA refers to two levels of working within the OMC: firstly, the process of coordination, involving the submission of NAPs and their evaluation in Joint Reports; and, secondly, various exchange tools such as peer reviews and transnational networks. With regard to the first: their appreciation of this level of working depends entirely on how well each Member State has addressed the issues of concern to it in their plans. Regarding the second level of work, instruments such as the peer review programmes have been helpful in allowing issues not well covered in the first level to be addressed and for stakeholders to feed their expertise into the process.

The EAPN prefaces its comments on the specific components of the question by stating its view that the future OMC needs to provide measures to ensure a high-level political involvement. The EDF and Solidar similarly suggest that the main limitation of the OMC is the weakness of the political engagement with it. The EAPN links this to the very low visibility of the process to date. Solidar suggests stronger engagement of the European Parliament as a means of addressing this failing.

Referring to the Joint Reports, the EDF favours making them more concise, with clearer messages and recommendations.

The EAPN feels that support for the OMC from the Community Action Programme has been essential in ensuring stakeholder participation; however, the outputs from studies and exchange projects could be better disseminated and reflected within the mainstream OMC, for example in Joint Reports. Solidar feels it important that the Programme should reach out to groups beyond the main funded networks.

Within the programme, the EAPN, the EDF and Eurochild would favour greater NGO involvement in the design of programmes of studies and the peer review programme. More NGO "experts" (as opposed to academic or government "experts") could be chosen as participants. Outputs from the reviews should also be better integrated in the OMC more generally.

The annual Social Inclusion Round Table is widely supported by NGOs as a mechanism for exchange and network building. However, the EAPN feels that it has been less effective as a decision-making mechanism as well as failing to achieve sufficient public visibility. Eurochild would favour more concrete follow-up action. The EDF would wish to see it become a forum for decision making about the strategic direction of the OMC, by adopting targets which would then be followed up the next year. Solidar calls for the Round Table to have a strong political dimension: it should adopt recommendations which would be sent to the European Council to become part of the annual Lisbon follow-up.

Eurochild calls for a concern with child poverty to be mainstreamed into the preparation of inclusion plans and for children and young people to be recognised as partners and therefore involved in their preparation.
Other actors

Equinet states that all Member States' plans and strategies under the OMC should be "equality mainstreamed" and supported at the EU level by activities to facilitate this. Joint Reports and peer reviews would then give due attention to evaluating the extent to which Member States had met this commitment. A similar call for gender mainstreaming and the use of gender-inclusive language is made by the Advisory Committee to the European Commission on Equal Opportunities between Women and Men.

Eurocities argues that all of the mechanisms for policy exchange, such as those supported under the Community Action Programme, would benefit from an increased focus on transferability and implementation of policies, and from better involvement of local level practitioners. It would favour a more systematic approach across Member States to the organisation of national seminars. Similarly, while very supportive of the peer reviews under the programme, it would prefer more transparency and balance in selecting who participates. Furthermore, it sees a greater role for local policy providers. It would favour establishing a database of good practice as a means of disseminating results from the Programme.

2.6. Question 6 - The OMC as part of the Lisbon agenda

Has the OMC on social inclusion and on pensions been appropriately reflected in the implementation of the Lisbon agenda? Are the different bodies responsible for the implementation of the different strands of the agenda cooperating amongst themselves?

Respondents were asked, in particular:

- How do you assess the consistency and complementarity between the OMC in the social protection/inclusion field and other processes, such as the European Employment Strategy (EES) or the coordination of economic policies in the framework of the Broad Economic Policy Guidelines?

- How do you assess the role of the Social Protection Committee and its cooperation between other committees and bodies working on economic and social on the European level (the Economic Policy Committee (EPC), the EPC's Ageing Working Group (AWG), Employment Committee, etc)?

- Would you like to see any modifications to the working methods of the Social Protection Committee, for example, in the light of the EU-enlargement or of the future scope of work under streamlining?

Member States

Member States attached great importance to how the OMC interacts with other EU-level policy processes, notably the revised Lisbon strategy. The ideas discussed already in the SPC's opinion on the new Lisbon processes – "feeding in" and synchronization of timetables – are supported. Belgium finds that there are major questions of policy coherence with other policy areas in each of the OMC's strands of work: in pensions, with the economic and financial sphere; in inclusion,
employment in regard to "making work pay"; and in health and long-term care, with other EU policy processes for health. This means that good interaction with other committees is an important issue for the success of the OMC right across its field.

Most Member States feel that the links between the OMC inclusion and the European Employment Process are clear and that the relevant committees (SPC and EMCO) have interacted well, for example in drafting joint opinions, particularly during the revision of the Lisbon strategy. The links with the BEPGs have been less clear and less balanced. In interaction with the economic and financial sphere, the OMC has an important role to play in maintaining the social side of the Lisbon policy triangle; however, it has not always been clearly visible – for example, during the revision of the Lisbon process. In practical terms, some Member States feel that the SPC should be more closely associated with the EPC and with the work of its Ageing Working Group on pensions, health and long-term care. Estonia suggests it might be possible to convey social messages more clearly and in more concise language to the EPC and EMCO; occasional joint meetings, while difficult to organize, could be helpful – a point also made by France and Slovakia.

Czech Republic feels that the social side may suffer from the lack of a basis for its work in the Treaties. It accordingly needs to be more vigorous in developing its interactions with the other relevant committees; there should be regular meetings between the Chairs and officers of the Committees. Belgium feels that the social side needs to develop its own global vision of the role of social protection in order to ensure a good basis for policy coherence with the different policy spheres. This must be done in each Member State, in the Commission and in the Council. The OMC, if it is to gain in standing vis-à-vis the Treaty-based employment and economic processes, must be more rigorous and focused on monitoring. Ireland feels that the same objective will be helped if the OMC can highlight concretely the positive interaction which exists between good social protection policies and good economic and employment performance. Portugal, while recognising the need to rationalise reporting requirements, cautions against placing too great an emphasis on this as the different processes must have the necessary space to continue to develop.

Denmark and Finland feel that the balance between the different policy areas has been satisfactorily established with the revision of the Lisbon strategy; the UK feels that the mechanisms for appropriate coordination now exist but need to be applied efficiently. Greece feels that joint working with the other committees will be even more important in the context of the future parallel existence of the OMC alongside the revised Lisbon strategy.

Regarding the working procedures of the SPC: Finland suggests more use of written consultations and video conferencing, while the Czech Republic would like stricter limits for speakers at meetings, written records of meetings and more use of the internet. Italy would favour greater use of MISSOC as an input to the SPC's work; and the possible establishment of a working group on social services of general interest.

Social Partners
The CEEP agrees on the need for streamlining, synchronisation and good interaction of the OMC with the revised Lisbon strategy, but not on the basis that social
protection is of lesser importance than the other elements. It also points out that the OMC must interact with other EU-level issues, for example work on services of general interest.

The ETUC supports the OMC as a means to ensure the continued visibility of the social dimension of the Lisbon strategy. Future interaction between the OMC and other processes must not be on the basis that the social dimension is subordinate to others.

The UEAPME urges that the future streamlining should cut out overlaps with other policy processes; a point echoed by UNICE, which states that the objectives of the economic, employment and social protection strands have sometimes clashed. Better articulated policies, linked more closely to the refocused Lisbon strategy, are needed.

NGOs
The EAPN states that the basis for interaction with other strategies must be a clear and visible social inclusion and social protection strategy on an equal footing with the employment strategy and the Broad Economic Policy Guidelines. AGE adds that interaction between the different processes should eliminate contradictions and ensure that no one policy area outweighs another. Solidar adds that, in interacting with other processes, it will be very important to stress the costs of a lack of social policies – the negative effects on the economy and employment of social exclusion need to be analysed and taken into account.

ATD Fourth World, FEANTSA and Eurochild argue that, more than streamlining, what is needed is a mainstreaming of concerns with poverty, exclusion and fundamental rights into other EU policy processes. To this end, the OMC should concern itself with the impact of other EU policies on social inclusion.

The EDF feels that the planned European Years for Equal Opportunities (2007) and for Combating Poverty and Social Exclusion (2010) should be used to raise awareness of these issues in other areas of Community policy.

Other actors
The CEMR feels that the inclusion process has already had an impact through its interaction with the employment process where there has been a shift in emphasis towards activation for the most vulnerable groups. This mainstreaming of social inclusion goals should be extended into other relevant EU policy areas. Eurocities also supports mainstreaming inclusion concerns into all relevant EU policies, citing the structural funds in particular. A concern with social inclusion must also be present in the other strands of the streamlined process, i.e. in pensions and in health and long-term care.

2.7 Question 7 – Suggestions for the future development of the OMC in a streamlined context

In the context of this evaluation, have you any comments or suggestions regarding how health and long-term care can be addressed in the future streamlined process?
**General points**

Respondents gave often lengthy and important comments in response to this question. This section seeks to present these as fully as possible.

**Member States**

**Belgium** supports the parallel development of the OMC with the revised Lisbon strategy. Links between the two must be established at national, Commission and European Council level; the European Council should receive the key messages emerging from both processes.

Within the streamlined process, it proposes a privileged position for the social inclusion strand, involving the continued existence of the NAP on inclusion as a standalone process. It favours keeping the inclusion and pensions objectives as they are for the moment, to be complemented by a new set of objectives for health and long-term care. A national strategic report on social protection and inclusion would include a description of the national social situation; a brief presentation of the NAP on inclusion; chapters on pensions, on health and long-term care, on feeding in to the Lisbon process and on sustainable development.

The process as a whole needs to emphasise monitoring.

**Cyprus** favours the integration of all three strands into one process, with a revision of the objectives and the indicators in order to ensure convergence and coherence and fewer and more concise objectives (and indicators). One NAP (and one report to the Commission) would cover all three strands.

**Czech Republic** reflected on the pros and cons of addressing health and long-term care within a streamlined social protection and inclusion process. While recognising certain difficulties, it concluded in favour of a process which focuses on highlighting best practices in this field. In relation to fighting poverty and social exclusion, it feels that the best mechanism for doing so has been identified and that it is now a question of ensuring that the NAP on inclusion can become a strong tool to this effect, in particular through closer involvement of the local and regional levels.

**Denmark** feels that streamlining should produce a more coherent perspective on social protection and inclusion issues and diminish the risk of overlapping work. Since social cohesion continues to be an integral part of the Lisbon agenda, the SPC should continue to play a role on a par with the other Committees.

**Germany** points out that policy making and financing social protection are Member State responsibilities and that the OMC should not limit Member States’ scope to plan their own policies. The most valuable role of the OMC is to give general orientations and key messages on social protection and its sustainable financing. Future reporting under the OMC should be made more concise. Any further development of the OMC in the direction of obligatory guidelines would go against the basis on which it was established. Furthermore, the OMC must recognise the specific situation of all participants and the particular situation of federal states.

In relation to healthcare, some of the German stakeholders see potential problems in the area of data and comparability of systems. They will, therefore, want to be closely
involved as the process develops. The first steps taken by the SPC's Indicators Group in this regard have made such actors more sceptical. The OMC for health and long-term care should be framed less on the basis of indicators and more as a means of exchange of good practice.

Germany also feels it important that the OMC for social protection and social inclusion be a solid pillar within the Lisbon structure and have equal weight with the employment and economic pillars. Such a balance must also be found within the OMC, for example in the balance between the adequacy of pensions and the sustainability of the systems. The value-added of the OMC for social protection and inclusion will depend on how effective it is in influencing the national reform programmes. Thus the timetables of the two processes should be synchronised at three years. Reporting requirements overall should be reduced, with fewer reports, implementation reports or updates. In between obligatory OMC reports every three years, important reforms could be reported on in the annual Lisbon reports.

Estonia feels that the NAPs on inclusion should be made more strategic and that greater political commitment should be injected into the OMC. The different strands in a streamlined structure need to preserve their identity.

Finland emphasises that EU Member States are, because of their considerable interdependence, faced with the same problems. They must show solidarity towards each other, to understand individual countries’ specific problems and also to enable joint efforts. It is important to commit strongly to peer reviews and national action programmes. Systematic attention should be paid to the implementation of the Lisbon objectives – the implementation of existing programmes, objectives and strategies, and not new initiatives, should be emphasised. Health and long-term care should constitute a third pillar of the social protection process, while keeping in mind that applying the method to health should not lead to overlaps with other fora.

France favours the continuation of the OMC as a process parallel to the revised Lisbon process and confirming the Union's commitment to social cohesion. The streamlined process should maintain the essential spirit of the existing processes and give distinct visibility to the NAPs on inclusion, to work on pensions and on health and long-term care. Policy exchanges should be further developed and indicators strengthened. Reports should be more concise and strategic. Involvement of social partners and other actors should be encouraged, together with bilateral exchanges between Member States. Better dissemination of work should be a priority, involving better availability of reports in the language of those concerned. Regarding health and long-term care, the development of the OMC should particularly facilitate exchanges regarding the issues of controlling costs and questions of good organisation for delivery of services. It should ensure that issues to do with access, quality and sustainability are borne in mind when evaluating free movement of patients and health services. It should develop a dialogue with local and regional actors. Work should proceed jointly with the EPC and the High Level Group on Health Care.

Greece supports maintenance of the distinct identity of each of the separate policy strands in a streamlined process. It supports a small number of overarching objectives encompassing the different strands, with a second tier of more detailed objectives pertinent to each strand. It supports a smaller number of indicators, which will require
development of headline indicators for each strand. It favours reporting every three years, with light updates/implementation reports in the years between. The OMC should be sustained and further strengthened by a concrete and clear expression of Member States’ political will, leading to an agreement on setting targets at European level, as well as by EU financing; by the substantial involvement of the European Parliament (to ensure transparency and publicity); and by the active involvement of social partners and NGOs at EU level. The Joint Social Protection and Social Inclusion Report should be submitted to the European Council.

**Hungary** feels that the objectives of the three areas should be adequately harmonized in order to avoid overlapping, with each area still being handled separately. It would support efforts to raise awareness of the OMC, e.g. short information bulletins every three months about the work done.

**Ireland** makes suggestions on promoting mutual learning, which it sees as a central objective of the OMC. These include: maintenance by all Member States of a national website on their participation in the OMC; more detailed analyses of specific themes and issues to be drawn from the NAPs and other national reports; the SPC to establish working groups on specific themes and issues, complementing the peer reviews and transnational exchanges under the SEP. More broadly, **Ireland** calls for the separate strands to keep their identity within the streamlined process and, in particular, for each Member State to be obliged to produce regular NAPs on inclusion and National Strategy Reports on pensions. In relation to health, Ireland favours an OMC which promotes pooling of information and sharing experience in a light way and which ensures that the appropriate national participants are fully involved. The following areas are suggested for work: cross-border services; centres of reference; health technology assessment; and health training. Indicators should be developed once objectives are agreed and should be capable of use in the short-term, drawing on existing data sources. Ireland does not favour an indicator on self-perceived health status.

**Italy** feels that the SPC needs to address certain challenges more fully, such as disability and the dependency among ageing people. Within the social inclusion strand, issues on immigration and the role of families need to be better addressed. The OMC should make wider use of questionnaires as a tool to monitor implementation. It should promote wide dissemination of the results, through seminars. There should be continued efforts to enhance the participation of social networks in programming, implementing, and monitoring the process for social inclusion. Opportunities for mutual learning and exchange should be increased. This could include creating opportunities for small-group exchanges among countries that face similar situations, e.g. migration policies, the decline of fertility and intergenerational relations.³

**Latvia** favours going ahead with work in all three strands foreseen by streamlining, while emphasising the need for good coordination with the processes for employment,

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³ It is worth noting that in the field of migration a similar method and process to that suggested is already applied in the work of the National Contact Points on Integration. DG Justice, Freedom and Security, in close cooperation with this network and with DG Employment, Social Affairs and Equal Opportunities, elaborates Annual Reports on Migration and Integration. The main contribution from the network consists of replies to a questionnaire.
economic growth and education. It feels that the objectives need to be left unchanged for some time to allow a focus on implementation. National reporting should be more concise, concentrating on the key issues. Information exchange should be improved. Regarding health and long-term care, the process should focus on information exchange.

Luxembourg favours the idea of overarching objectives, which, among other things, will establish clearly the need to interact with Lisbon, plus specific objectives for each strand of the planned process, to establish the separate identity of the different elements, including the continued important role of the NAP on inclusion. NAPs should be more strategic, focused on action and the evaluation of results. Greater use of indicators to monitor progress and policy implementation is needed.

Malta favours a social protection and social inclusion OMC, of which NAPs on inclusion are an essential component and which will feed in to Lisbon. With regard to health and long-term care, the OMC should not interfere with Member States’ ability to determine and finance their own systems: a balanced concern with accessibility and sustainability is a good framework for this work.

The Netherlands feels it is essential for the streamlined OMC to be closely linked to the new Lisbon process and for strengthened cooperation with the EMCO and EPC, including between the SPC's Indicators Sub-Group and the EPC's Ageing Working Group. Light updates should be voluntary only, with a simple format and limited size. The Netherlands will use the National Reform Program when reporting important policy developments in the field of social inclusion and pensions.

Specifically for social inclusion: the Netherlands suggests focusing the OMC on a concise set of 5 concrete topics which are relevant in most EU countries and which will be more easily understood by the public opinion and policy makers; reforming the Peer Reviews, as current approaches are not possible with 25 Member States; and clarifying how social inclusion contributes to the Lisbon priorities of growth and employment.

For pensions: given the coverage of the reform of pensions systems in the National Reform Program (NRP) under the revised Lisbon process, the Netherlands feels that the OMC in the field of pensions has to change. It suggests that reporting on the reform of pensions should in the future take place within the NRP for Lisbon. The OMC for pensions can be used as input to Lisbon, as a means to better explore in depth special topics in the field of pensions, e.g. via special studies.

Austria expresses wholehearted support for the planned streamlining to create a stronger and more efficient process, as well as closer interaction with the revised Lisbon Strategy. It is especially important to identify the links and interconnectedness of objectives between the social protection, employment and economic fields. Overlaps must be removed. Further developments of the method must adhere to the principle of subsidiarity.

Regarding social inclusion, the multi-dimensionality of poverty and strategies for poverty requires mainstreaming. In the opinion of some Austrian stakeholders improving the OMC will, in future, require: greater implementation capacity;
minimum EU standards; gender mainstreaming; mechanisms to involve stakeholders; further development of indicators; and stronger monitoring and evaluation. The external visibility of the OMC needs to be improved.

For pensions, MISSOC could be expanded to give concise and up-to-date information about reforms in Member States. The balance between social concerns and financial sustainability objectives in pension reforms needs to be maintained.

In the fields of health and long-term care, when developing indicators, all previous work by international organisations (e.g. OECD and WHO) should be taken into account so as to avoid duplication.

**Poland** feels that the OMC should not be subject to any fundamental changes. Its main elements – joint objectives, transposing national and regional programmes, agreed indicators, monitoring and assessment and best practice – are correct.

The reporting load on Member States should be simplified as much as possible. **Poland** fears that such a real simplification of the reporting burden will not come about. Possible duplication with the National Reform Plans needs to be addressed. It also fears that the OMC, referred to as a “soft” method, is gradually coming closer to a “hard” method since it does not leave too much freedom for Member States in regard to the way of implementing objectives.

The OMC itself is a good method for including the long-term perspective in the process of management. It also allows for investigating at EU level the specific problems of individual countries. It would be helpful to aim to raise awareness of the method and the actions initiated under it in Member States.

**Portugal** favours the integration of work on the three strands of inclusion, pension and health and long-term care. This means that work should stress interactions across these sectors. The calendar for SPC meetings should be revised, as monthly meetings risk becoming burdensome and unproductive. The relationship between the OMC and the revised Lisbon strategy is key: Portugal supports the continued parallel existence of the OMC, with the OMC providing the main forum for discussion of issues relating to social cohesion, while feeding in.

The calendar for work under the OMC must be consistent with that for Lisbon. In relation to social inclusion, future work should: give greater visibility to the process at all levels; bring about more effective coordination of policies at the national and sub-national levels; strengthen links with social networks and their participation in policy planning and implementation; and increase political engagement with the process.

**Slovakia** would favour EU funding for NGOs and other stakeholders in relation to networking at national level and to support capacity building generally. The OMC should focus on guaranteeing core objectives. Raising awareness among interest groups should be an objective. Joint meetings should be held with the relevant committees which are dealing with related issues.

**Spain** feels that the integrated approach to economic, employment and social progress set at Lisbon needs to be maintained. It makes the following suggestions regarding the work on health and long-term care: the process should be light and should involve the EPC working with the SPC; it should be based on the principle that everyone has an
entitlement to health care; it should pay particular attention to addressing policies needed to meet the challenge of providing long-term care; and it should address the provision of benefits in kind and (cash?) benefits for long-term care.

**Sweden** thinks it is essential that the objectives for a streamlined OMC are perceived to be relevant and that they can be measured. The continued development of common indicators, which enable international comparisons, is of central importance. Good reporting arrangements that do not place a heavy burden on member countries are important. The demarcation between the national Lisbon programmes and the OMC needs to be clear so that there is no overlap. It stresses the importance of an equal balance between employment, social security and social inclusion and growth.

Exchanges of experience within the framework of the SPC should focus on specific themes and issues. They should involve experts and other interested parties. Examples of good practice should be selected on the basis of what is interesting to individual member countries and from an EU perspective. A procedure of this nature could contribute to greater transparency and result in greater local awareness of the OMC.

The **UK** states that it is vital that the social inclusion strand and the preparation of NAPs on inclusion remain an important part of any future streamlined process. While recognising important links are to be made between the three strands of this OMC, it is not clear how far these links should go, and whether there can be any harmonisation between the strands. However, the objectives of creating a complete overview of the social sphere and of simplifying reporting are achievable.

For pensions, streamlining which ensures that the necessary focus on adequate pensions is linked tightly with the issue of ensuring sustainability will be valuable. For health and long-term care, an exchange regarding macro-level questions which encourages collaboration between Member States while being clear about respective competencies is favoured.

**Social Partners**

The **CEEP** strongly supports the reinforcement of policy coordination launched by the refocused Lisbon strategy. Within the OMC for social protection and social inclusion, it urges that particular attention be paid to healthcare, where the risk of erosion of standards is very high. It urges more involvement of the European Parliament.

The **ETUC** favours streamlining the work under the OMC in order to bring about better interaction and mutual reinforcement of the strands of work, without suppressing their separate identity and visibility. There must be a certain number of specific objectives for each, completed by general objectives for the process as a whole. The aim should be to strengthen policy engagement within national policies – a process aiming only at facilitating exchanges of practice is too weak. Accordingly, the OMC should continue to be based on: ambitious common objectives, the formulation of which need to be discussed at an early stage with actors; national implementation of these in real National Action Plans involving all actors; quantitative and qualitative indicators to evaluate results and identify difficulties and peer reviews and Joint Commission/Council reports containing
guidelines/recommendations. The OMC will only be effective if it is credible. In order to ensure this it must be more open in the future to interested parties, at both national and EU level.

The **UEAPME** favours a limited number of general (overarching) objectives supplemented by specific objectives for each policy area. A general objective across the sector should be to promote sustainability, efficiency, effectiveness and access. Consultation of civil society and social partners is important. Social partners have a particularly important role to play in relation to second pillar pensions.

**UNICE** argues for deeper analysis of why certain countries achieve better results than others, rather than adding new targets and indicators. Critical peer reviews could help in this regard. **UNICE** feels it is important to fully integrate the streamlined open method of coordination on social protection and social inclusion into the new governance cycle on growth and jobs. Reporting on important policy reforms of social protection should be part of the Lisbon national programmes. More focus in the process is necessary and should result in a reduced number of objectives and indicators and in less paper work and bureaucracy.

**NGOs**

The **EAPN** states that streamlining, in seeking to address certain objectives at European level, e.g. the need to better articulate social policy messages in the annual Lisbon follow-up, must not damage the potential benefits of the strategy at national level, i.e. better policy making. The objective of fighting social exclusion and the instrument of the social inclusion NAPs should be at the heart of the new streamlined process. The EAPN opposes any revision of the Nice common objectives.

The Joint Reports should be strengthened by introducing scope to make country-specific recommendations. EU-level minimum social standards should be developed alongside the OMC. The OMC should be supported by greater resources and should more fully involve people experiencing poverty. It should bring about a mainstreaming of social cohesion concerns within the Lisbon process. The **EAPN** also contributed a position paper making the following points on future common objectives:

1. Subordination of the definition of key objectives and priorities in the social field to procedural concerns is unacceptable.
2. Consistency and continuity in the strategy need to be maintained.
3. The current principle-based objectives are still relevant and must be implemented, not done away with.
4. The OMC/SPSI is the cornerstone of the European social model: its unique identity and its integrity must be safeguarded.
5. Broad, cross-cutting objectives do not reflect the need to focus on implementation.
6. A vision and clear political intentions to head the three pillars of the OMC/SPSI need to be endorsed by the Member States when adopting the revised strategy.

**AGE** summarised its main points for the future as follows:

- The process of developing the NAPs on inclusion and writing the Joint Reports should be maintained and allowed to develop;
In addition to the other tools, work should aim to fill some of the unfulfilled potential for learning that exists within the process;

- The common objectives should be maintained as they are;
- Guidelines for drafting the NAPs should be used to highlight areas needing particular attention; the particular situation of older people should be more explicitly mentioned in this context;
- The 3 strands of the streamlined process should maintain their individual identity;
- Streamlining should be used not to merge planning, but to provide for greater understanding of which systems are working best across the range of policy areas and where learning can be focused;
- More effort is needed to develop non-income-related indicators of exclusion;
- Political attention is needed to ensure positive links between economic, employment and social policies;
- Supporting local and national NGOs through National Action Programmes would help make the process impact more effectively on the realities found at local level.

ATD Fourth World concentrates on promoting the need to mainstream social inclusion into all relevant policy areas and processes. It states: "Until social inclusion objectives have been successfully mainstreamed into all other policy areas and beyond, there needs to be a clear, distinct and visible EU strategy to fight against poverty and social exclusion." Accordingly, it feels that streamlining must be undertaken with caution.

CEBSD feels that the future development of the OMC would benefit from: more and better use of the peer review process; more transnational work on core priorities and planning processes; and more involvement of stakeholders.

Eurochild recommends

- Drafting a discrete, comprehensive objective on children and young people;
- "The prevention of child poverty and promotion of the child’s right to social integration";
- Recognising children and young people as actors in the planning process and facilitating their participation;
- Developing child-specific indicators informed by input from children and young people themselves;
- Drafting a recommendation that the UN Convention on the Rights of the Child (UNCRC) underpin strategies to combat child poverty and exclusion, with particular respect for Article 12 relating to children’s participation in matters which affect them;
- Greater involvement of thematic European networks in the specific area where they have expertise.

The EDF suggests that the Council should formally adopt the OMC as a means to institutionalise the method further and to give it a higher political profile. Streamlining should ensure good coordination across different policy areas and policy processes, also that measures taken in one area are coordinated across others. National strategies should be clear in setting out how they will be implemented. The
conclusions of the OMC need to have an impact on policies. The EDF feels that the ranking of states is very relevant. Other institutions at national level such as national parliaments and regional authorities have to take part in the process.

The streamlining process should also address the issues of multiple discrimination – e.g. women who are disabled, from an ethnic minority, have children, or a different sexual orientation, etc., face very distinctive discrimination in society. The streamlining process should include their needs in the definition of the strategy.

FEANTSA makes the following proposals:

• Draft a common objective on homelessness: “To develop and implement an integrated strategy to prevent and combat homelessness”;
• Ensure that the new streamlined strategy on social protection mobilises the participation of a wide range of actors;
• Offer a wide range of policy instruments in order to maximise the use, analysis, and implementation of the NAPs on inclusion;
• Clarify the role of European NGOs as facilitators in specific thematic areas;
• Create structures for strengthening the involvement of parliaments in policy development within the framework of the OMC.

FERPA seeks active involvement of social partners in the OMC. It also wants a better focus on dependency issues.

Solidar believes that better integration of the different processes that make up the Lisbon Strategy, i.e. the Employment Strategy, the Broad Economic Policy Guidelines and the social protection processes, is an important step towards a more integrated approach to economic, social and environmental policy planning. However, it also points to the dangers of streamlining the different OMC processes: combining them into one annual report runs the risk of weakening the individual components and the progress made to date. Stakeholders’ expectations of the impact, continuity and visibility of the NAPs have been raised. Disappointing these expectations would lose the momentum created during the first years. It is therefore essential to keep a distinct OMC process for social inclusion and social protection at national level.

Other Actors

The CEMR feels that the streamlined structure proposed should allow for a more developed approach that addresses a number of separate, but related, policy areas in the social field. The streamlined OMC process should further facilitate the exchange of knowledge, experience and best practice between the Member States across the key social policy fields. However, in order to make it effective, it is crucial that it has a central focus on the objective of combating social exclusion. A clear focus to this end must be maintained and reflected in the new common objectives. The streamlined OMC process should thus not be subordinated to the employment and economic objectives set by the Integrated Guidelines, but should reinforce the social dimension of the Lisbon Strategy. The CEMR welcomes the projected extension of the OMC to health and long-term care. It is important to take account of the complexity of issues by adequately capturing their specific objectives. The OMC should also respect the structures and competencies of local and regional authorities. Extending the OMC to
the field of health and long-term care should further strengthen the democratic nature of the process, by involving local and regional authorities in all stages of the work.

EUROCITIES is concerned that the OMC for social protection and inclusion should not be in a weak position vis-à-vis the revised Lisbon strategy. Smooth integration of economic, employment and social goals is required. Accordingly, it suggests: measures to raise the profile of the OMC; more formalised mechanisms and more regular meetings to involve stakeholders in the drafting of national plans and reports; more standardised reporting and common indicators; recognition of the key role of cities and the specific issues they face; and work on health and long-term care closely linked to issues related to social exclusion.

3. Conclusion

The Commission has drawn on the views expressed here in drafting its Communication entitled “Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union”, in which it sets out its proposals for new common objectives and working methods for the future of the OMC on social protection and social inclusion. However, the evaluation yielded lots of ideas and suggestions (e.g. for the conduct of peer reviews, and for the work on indicators), which do not have a direct bearing on the Communication. They should nonetheless be drawn on at the appropriate moment in the future planning and organisation of work under the OMC.
Appendix 1

List of organisations which directly made submissions based on the common questionnaire.

Social Partner Representative Organisations
European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP)
European Trade Union Confederation (ETUC)
European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)
Union des Industries de la Communauté européenne (UNICE)

Non-Governmental Organisations
The European Older People's Platform (AGE)
ATD Fourth World
Combined European Bureau for Social Development (CEBSD)
European Anti-Poverty Network (EAPN)
European Disability Forum (EDF)
Eurochild
European Federation of National Organisations Working with the Homeless (FEANTSA)
Fédération Européenne des Retraités et Personnes Agées (FERPA)
The Platform of European Social NGOs (European Social Platform)

Organisations representing other policy actors
Advisory Committee to the European Commission on Equal Opportunities between Women and Men
Council of European Municipalities and Regions (CEMR)
European Association of Public Sector Pension Institutions (EAPSPI)
Network of Major European Cities (Eurocities)
European Network of Specialised Equality Bodies (EQUINET)