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Strengthening the Social Dimension of the Lisbon Strategy

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Introduction and Summary

This paper is intended to introduce a discussion of how to strengthen the social dimension of the Lisbon Strategy. It focuses on the question of how best to implement the conclusion of the Spring 2007 European Council that “the common social objectives of Member States should be better taken into account within the Lisbon Agenda”. The first section presents a series of arguments in favor of strengthening the social dimension of the Lisbon Strategy based on the experience of the past two years with the Integrated Guidelines for Growth and Jobs and the National Reform Programmes. The second section considers a number of concerns raised by the prospect of strengthening the social dimension of the Lisbon Strategy. The final section examines three policy options for strengthening the social dimension of the Lisbon Strategy: (1) fully incorporating both the EU’s Common Objectives and Open Method of Coordination on Social Protection and Social Inclusion (OMC/SPSI) into the Integrated Guidelines for Growth and Jobs and the National Reform Programmes for 2008-2010; (2) incorporating a new social chapter into the Integrated Guidelines, while retaining the OMC/SPSI as a distinct policy coordination and reporting process based on the EU’s common social cohesion/inclusion objectives; and (3) leaving unchanged the existing structure of the Integrated Guidelines for Growth and Jobs and OMC/SPSI, while improving the arrangements for “feeding-in” and “feeding-out” at both national and EU levels. After considering the advantages and disadvantages of each of these options, the paper recommends Option 2 (“partial incorporation”) as the most promising approach to strengthening the social dimension of the Lisbon Strategy while preserving the visibility and autonomy of European social policy coordination. It then concludes by proposing a set of organizational changes to the Integrated Guidelines and National Reform Programmes aimed at safeguarding the integrity and effectiveness of the OMC/SPSI, while at the same time correcting some of the problems experienced by the relaunched Lisbon Strategy, particularly in relation to the European Employment Strategy.

I. Why the Social Dimension of the Lisbon Strategy Needs Strengthening

A. Political Commitment

Since 2005, the European Council has repeatedly reaffirmed that greater social cohesion and the fight against poverty/social exclusion remain core objectives of the Lisbon Strategy. Yet this political commitment to the social dimension of the Lisbon Strategy has not been reflected in the guidelines provided to Member States for the preparation of their National Reform Programmes (NRPs), nor in the assessment of the NRPs themselves. Emblematic of this gap was the Commission Staff Working Paper of May 2006 on “Working Together for Growth and Jobs: Further Steps in Implementing the Revised Lisbon Strategy”,¹ which made no reference whatsoever to the social cohesion/inclusion objectives in laying out an authoritative roadmap for the preparation of Member States’ Progress Reports, together with a methodological framework for their assessment. The 2007 Spring European Council accordingly stressed that “the common social objectives of Member States should be better taken into account within the Lisbon Agenda...in order to ensure the continuing support for European integration by the Union’s citizens”.

B. Limited Effectiveness of “Feeding-In” and “Feeding-Out”

According to the conclusions of the 2006 Spring European Council, the relaunched Lisbon Strategy is designed to provide “a framework where economic, employment and social policy mutually reinforce each other, ensuring that parallel progress is made on employment creation, competitiveness, and social cohesion in compliance with European values”. This mutually reinforcing dynamic within the revised Lisbon Strategy is supposed to be achieved by a reciprocal relationship between the streamlined Open Method of Coordination on Social Protection and Social Inclusion (OMC/SPSI) and the Integrated Guidelines for Growth and Jobs at both national and European levels, whereby the former “feeds in” to growth and employment objectives, while the latter “feed out” to advance social cohesion goals.

Yet experience with the operation of the relaunched Lisbon Strategy during the first two years (2005-6) demonstrates that the effectiveness of this mutually reinforcing feedback between its social, economic, and employment dimensions has remained decidedly limited, with wide variations across Member States. Thus, for example, in the 2006 NRP Implementation Reports (NRPIRs), only ten Member States included social cohesion/inclusion objectives (including gender equality)² among their national priorities or referred extensively to them, while the remainder briefly cross-referenced the OMC National Reports on Strategies for Social Protection and Social Inclusion (NRSSPSIs) submitted the previous month (9 MS), referred exclusively to labor market inclusion (4 MS), or omitted any mention of social cohesion altogether (4 MS, including one judged by the Commission’s Annual Progress Report to be making “very good

¹ SEC (2006) 619, Brussels 24.05.2006.

² On the limited attention to gender equality and gender mainstreaming in the first round of NRPs, see Colette Fagan, Damian Grimshaw, and Jill Rubery, “The Subordination of the Gender Equality Objective: The National Reform Programmes and ‘Making Work Pay’ Policies”, *Industrial Relations Journal* 37, 6 (2006): 571-92, based on the national reports of the EU Network of Experts on Gender, Social Inclusion and Employment (EGGSIE).

progress” towards the Lisbon objectives). There also appear to be few direct linkages between the social cohesion/inclusion objectives and Member States’ plans for the use of the structural funds, which are supposed to be tied increasingly tightly to the Lisbon Agenda, accounting for 60-75% of expenditures. Nor has there been much evidence so far of explicit “feeding out” from the Integrated Guidelines and NRPs to the OMC/SPSI, for example through systematic impact assessments of the actual or prospective effects of Member States’ economic and employment policies on social cohesion/inclusion outcomes. At a European level, the SPC Indicators Sub-Group has been charged with developing indicators for monitoring the interaction between the EU’s growth/jobs and social cohesion/inclusion objectives.

This critical assessment is confirmed by the synthesis report of the EU Network of Independent Experts on Social Inclusion for the second semester of 2006, which underlines the “enormous diversity in how feeding-in and feeding out have occurred....In some Member States, it appears that the social dimension has been influential in the evolution of the National Reform Programme as shown in the Implementation Reports. In others, this influence has either been cursory, with consultation limited to certain interlocutors, or there is only limited evidence that social priorities have been translated into clearly articulated objectives in the NRP. In many cases, there is a disturbing lack of common ground between the NRPs and the National Reports on Strategies for Social Protection and Social Inclusion. Even where they are reasonably integrated, it tends to be in selected areas only, such as the functioning of the labour market or lifelong learning, whereas social inclusion is often absent.”³

C. Improving Policy Coherence and Discovering Synergies

European systems of social protection stand in ongoing need of reform to ensure their adequacy, sustainability, and adaptation to new social risks in the face of changing employment patterns, household/family structures, and demographic trends. From the very beginning, the OMC on Social Protection/Inclusion was specifically designed to pursue these multiple but equally indispensable goals in a balanced and coherent way incorporating both social and economic perspectives, e.g. through collaboration between the SPC and the Economic Policy Committee (EPC) in the field of pensions. Indeed, the OMC more generally can be seen as an iterative discipline for reconciling apparently contradictory objectives (such as more and better jobs, adequate and sustainable pensions, or accessible, high-quality and sustainable health/long-term care) by discovering synergies and win-win solutions through comparison of different national approaches to achieving them.

But by excluding the EU’s social cohesion/inclusion objectives from the Integrated Guidelines for Growth and Jobs, the Union has effectively returned to the one-sided coordination of Member States’ social policies in pursuit of financial sustainability and employment promotion which the OMC/SPSI was developed to overcome. Thus, for example, in the 2007 joint recommendations, based on the Commission’s Annual Progress Report, eight Member States received formal recommendations to accelerate the reform of their pensions and/or health-care systems in order to ensure the sustainability of the public finances, while three further Member

³ Iain Begg and Eric Marlier, *Social Inclusion 2006: Second Semester Report. Independent Overview Based on National Report of Independent Experts*, EU Network of Independent Experts on Social Inclusion, Brussels, 1 May 2007, p. 5.

States were exhorted to step up implementation of overdue pension and/or health care reforms as additional focus points.

No less importantly, most innovative EU approaches to the modernization of the European Social Model(s) require systematic integration and coordination of reforms across multiple interdependent policy domains, such as labor market activation, lifelong learning, occupational health and safety, anti-discrimination rights, and pension/disability schemes in the case of “active ageing”, or contractual arrangements, activation, lifelong learning, and social security systems in the case of “flexicurity”. Such horizontal policy integration and joined-up governance can only be hindered by the failure to incorporate social cohesion/inclusion objectives – and the actors associated with them – into the National Reform Programmes of many Member States.

D. Enhancing National Ownership and Civil Society Participation

A key goal of the Commission in the Lisbon Strategy relaunch was to enhance national ownership and participation by non-governmental actors in the reform agenda. Most independent assessments, including an official report by the European Economic and Social Committee, concur that these ambitions were not realized during the drafting of the 2005 NRPs, which arguably represented a backward step in terms of participation by civil society actors compared to previous National Action Plans for Employment (or still more so Social Inclusion).⁴ In response to such criticisms, the Commission undertook a major push for increased national ownership in the 2006 NRP implementation process, resulting in the creation of new consultative/coordination bodies, the upgrading of the political status of Lisbon coordinators, and wider involvement of national parliaments, social partners, and local/regional authorities in many Member States.

Yet according to a variety of independent sources, the NRP implementation process has continued to lack public visibility in most Member States, while involvement of non-state and subnational actors was often confined to formal consultation and/or information exercises, with limited opportunity to influence substantive policy direction or content. By all accounts, civil society actors, such as NGOs and voluntary associations, were much less involved in most Member States, often because of difficulties in obtaining access to consultation and coordination processes dominated by Finance or Economics ministries with whom they had little previous contact.⁵ But even if these procedural barriers to civil society participation could be overcome, it is difficult to imagine how the National Reform Programmes could attract widespread popular enthusiasm and enhance support for European integration among the Union’s citizens while continuing to neglect the pursuit of social cohesion/inclusion objectives, which as opinion

⁴ European Economic and Social Committee, *Implementation of the Lisbon Strategy: Summary Report for the European Council (23 and 24 March 2006)*, Brussels, CESE 1468/2005 rev. For a comprehensive overview of assessments of the first round of Lisbon NRPs, see Iain Begg, *Lisbon Relunched: What Has Changed? Is It Working Better?*, Special CEPS Report, Brussels: Centre for European Policy Studies, December 2006, based on a study prepared for the European Parliament.

⁵ For overviews of consultation of non-state actors in the preparation of the 2006 NRPIRs, see Begg and Marlier, *Social Inclusion 2006: Second Semester Report. Independent Overview Based on National Report of Independent Experts*, EU Network of Independent Experts on Social Inclusion, Brussels, 1 May 2007, Table 3.1, pp. 12-14; European Anti-Poverty Network (EAPN), *Making Lisbon Deliver for People Experiencing Poverty: EAPN Response to 2006 Implementation Reports on the National Reform Programs*, Brussels: EAPN, January 2007.

polling data show remain central to public concerns in most Member States.

II. Concerns Raised by Strengthening the Social Dimension of the Lisbon Strategy

A. Subsidiarity

Member States retain primary competence for the organization and development of their social protection systems. There are also wide variations across the EU in the institutional structure and programmatic design of national welfare states, whose reform is often a highly sensitive issue in domestic politics. Under these circumstances, Member States have so far remained understandably reluctant to move beyond the agreement of common objectives and indicators for social protection/inclusion to the establishment of European guidelines and country-specific recommendations, which the incorporation of a social chapter into the Integrated Guidelines for Growth and Jobs might entail.

But as we have seen, Member States are *already* subject to European guidelines and country-specific recommendations on the reform of their social protection systems insofar as these may be deemed necessary to secure the sustainability of the public finances and/or achieve higher rates of employment. The territorial closure and autonomy of national welfare states have likewise been significantly challenged in recent years by the jurisprudence of the European Courts on health care, supplementary pensions, and (to a lesser extent) social assistance. The question is thus not *whether* but *how* the EU should be involved in coordinating Member States' responses to the common challenges of reforming their social protection systems, while at the same time respecting legitimate national diversity. In this context, it seems preferable for such EU policy coordination to be based on an integrated and balanced mix of social, economic, and employment objectives, even if this means the adoption of European guidelines and (possibly) country-specific recommendations in the field of social protection/inclusion.

Nor is it necessarily the case that European guidelines and recommendations will lead to backdoor efforts at harmonization of national social protection systems through the imposition of "one-size-fits-all" policy models. Here the experience of the European Employment Strategy (EES), the original model for the OMC, provides a broadly positive example. In a series of iterations over the past decade, the European employment guidelines have proved highly adaptable to the wide variety of employment systems across the Union, encouraging convergence of objectives, performance, and broad policy approaches through contextualized benchmarking, self-assessment, peer review, and exchange of good practices rather than harmonization of institutions, rules, or programs. Although the country-specific recommendations have remained more controversial, they too have arguably added value to national policy making by feeding the results of the European evaluation process back into domestic debates, and drawing attention to overlooked problems even in the best performing Member States. At a deeper level, the EES and the OMC more generally should be understood as embodying a new form of dynamic subsidiarity, based not on a rigid allocation of competences, but instead on collaboration between different levels of governance in which each participating unit contributes its distinctive expertise and resources to tackling common problems cutting across jurisdictions.

B. Loss of Autonomy/Weakening of the OMC/SPSI

Even those in favor of strengthening the social dimension of the Lisbon Strategy may fear that incorporation of the EU's common social cohesion/inclusion objectives into the Integrated Guidelines for Growth and Jobs could lead to a weakening and loss of autonomy for the OMC/SPSI. This is a legitimate concern, as the recent experience of the European Employment Strategy suggests. The integration of the employment and economic policy guidelines has involved some compression and loss of specificity for the former, without necessarily reducing their complexity or eliminating overlaps with the latter. At the same time, the transformation of National Action Plans for Employment (NAPs/empl) and the Joint Employment Report into chapters in the NRPs and Annual Lisbon Progress Report have reduced the visibility of employment policy coordination at both national and EU levels.

No less significantly, the revised Lisbon Strategy arrangements have led to greater unevenness in Member State employment policy reporting and a loss of European-level monitoring capacity. Most Member States do not structure their NRPs around the Integrated Guidelines, only 6 of 25 include full data on the existing European employment indicators, and few report progress on the EES activation targets, the Gender Pact agreed at the 2006 European Council, or the Lifelong Learning Strategies requested by the 2004 Spring European Council. The Employment Committee (EMCO) Indicators Group is developing a reduced set of some 25 key indicators to monitor the new employment guidelines, supplemented by a similar number of context indicators aimed at putting national policies and performance into perspective, since the 14 structural indicators, around which assessment of progress towards the Lisbon objectives in the Commission's annual synthesis report centers, are judged insufficiently detailed even to measure Member States' performance against the EES targets. Although EMCO has stepped up its Mutual Learning Programme through thematic review seminars and national follow-up activities as well as peer reviews of good practices, the variable and uneven format of the NRPs has made it more difficult to feed back and mainstream the results of this mutual learning into national policy making.

A related source of concern is the dominance of economic policy actors in the revised Lisbon Strategy for Growth and Jobs at both EU and national levels. Thus, for example, the roadmap and evaluation methodology for the 2006 NRPs discussed earlier appears to have been drawn up by the EPC without prior consultation with EMCO, whose members were extremely critical of the capacity of the proposed implementation grid, labor reform database, impact assessment of key reform drivers, and macroeconomic modeling exercise to capture accurately the relationship between national employment reforms and policy outcomes. At Member State level, similarly, the Ministry of Finance or Economics has most often assumed responsibility for organizing the production of the NRP, though in a number of cases the National Lisbon Coordinator has been drawn instead from the Prime Minister's staff or the Cabinet Office.

Regarding the impact of the Integrated Guidelines on the specificity and detail of objectives and reporting processes in the EES, similar changes have already been introduced into the separate policy strands of the OMC/SPSI as a consequence of streamlining. Thus for example there has been a noteworthy reduction not only in the number but also the precision of the OMC common pension objectives from the 11 of 2001 to the 3 of 2006. Similarly, social NGOs such as the European Anti-Poverty Network have expressed concern that the streamlined National Strategy Reports on Social Protection/Inclusion have decreased the prominence of the National Action

Plans for Social Inclusion (NAPs/incl) and undercut the governance improvements in administrative coordination and stakeholder consultation which the latter had stimulated, though some Member States have chosen to maintain or even accentuate the importance of the NAPs/incl in their policy making process. And inducing Member States to make consistent use of European rather than national indicators to benchmark their performance remains a thorny issue in the NRSSPSIs as in the NAPs/incl and National Strategy Reports on Pensions. So if limited specificity, precision, and consistency of objectives and reporting is a problem for the coordination of Member States' social protection/inclusion policies, it is one which would need to be addressed irrespectively of whether or not the common social objectives are incorporated into the next set of Integrated Guidelines.

C. From Multilateral Policy Coordination to Bilateral Reform Dialogue?

Many of the problems experienced by the EES under the relaunched Lisbon Strategy stem not from the integration of the employment and economic policy guidelines per se, but rather from the Barroso Commission's declared goal of shifting the emphasis from multilateral discussions on sectoral policy themes between Member States and the Commission (which is how it understood the OMC) to a bilateral dialogue between the Commission and individual Member States on their National Reform Programmes. This effort to increase the effectiveness of the Lisbon Strategy by focusing on a narrower range of objectives and enhance national commitment by allowing Member States to set their own reform priorities has been accompanied by a loss of the specificity and detailed reporting against common indicators needed to monitor, evaluate, and coordinate complex policy areas, as can be seen in the case of employment. Incorporating key objectives and indicators from sectoral policy coordination processes such as the OMC/SPSI into the Lisbon Strategy is not like adding unnecessary ornaments to a Christmas tree, as a widely used metaphor has suggested, but rather like equipping the cockpit of a high-speed aircraft with the full set of instrumentation systems needed to avoid flying blind.

Unsurprisingly, the European Council has been unable to resist adding new priorities to the 24 Integrated Guidelines as circumstances change, such as the four cross-cutting priority areas for more growth and jobs agreed at the 2006 Spring European Council.⁶ Unsurprisingly, too, the European Council and the Commission have also launched new coordination processes and reporting obligations for Member States in response to these and other emergent priorities such as the integration of immigrants or the reduction of administrative burdens. Finally, the Commission itself appears to have recognized the limits of bilateral dialogue with Member States on their NRPs, as can be seen, for example, from its efforts to organize mutual learning workshops within the Network of National Lisbon Coordinators on issues such as one-stop shops for setting up new enterprises, business-university cooperation, and extending working lives of older workers – albeit at some risk of duplicating the work of the sectoral OMCs.

⁶ These four cross-cutting priority areas are: investing more in knowledge and innovation; unlocking the business potential, especially of SMEs; greater adaptability of labour markets based on flexicurity; and energy and climate change.

III. Towards Lisbon III: Policy Options for a Stronger Social Dimension

Strengthening the social dimension of the Lisbon Strategy is at once politically vital to fulfill the EU's declared commitments to greater social cohesion and the fight against poverty/social exclusion, and practically necessary to improve the coherence and effectiveness of the relaunched Strategy itself. Three broad policy options for strengthening the social dimension of the Lisbon Strategy may be envisaged:

1. Incorporating both the EU's common social cohesion/inclusion objectives and the OMC/SPSI into the Integrated Guidelines for Growth and Jobs and the National Reform Programmes ("full incorporation").
2. Incorporating a new social chapter into the Integrated Guidelines, while retaining the OMC/SPSI as a distinct policy coordination and reporting process based on the EU's common social cohesion/inclusion objectives ("partial incorporation").
3. Leaving unchanged the existing structure of the Integrated Guidelines for Growth and Jobs and OMC/SPSI, while improving the arrangements for "feeding-in" and "feeding-out" at both national and EU levels ("enhanced status quo").

Each of these policy options for strengthening the social dimension of the Lisbon Strategy has both advantages and disadvantages. There are also some areas of potential overlap between them. Thus, for example, the reinforced participation, reporting, and impact assessment requirements proposed below to make "feeding-in/out" work better under Option 3 ("enhanced status quo") would also be necessary to secure the effectiveness of full or partial incorporation of the social cohesion/inclusion objectives into the Integrated Guidelines and National Reform Programmes (Options 1 and 2).

In terms of advantages and disadvantages, Option 1, full incorporation of the EU's common social cohesion/inclusion objectives and the OMC/SPSI into the Integrated Guidelines and National Reform Programmes is, at first glance, the cleanest and most coherent solution. This approach would, in principle, place the EU's social objectives on an equal footing with its commitments to the pursuit of growth and jobs within the Lisbon Strategy, create an integrated institutional framework for reconciling conflicts and discovering synergies between these objectives at both national and European levels, and reduce the number of separate policy coordination and reporting processes. Yet as the experience of the European Employment Strategy discussed above suggests, such full incorporation of the OMC/SPSI into the Integrated Guidelines and National Reform Programmes would carry grave risks of weakening EU social policy coordination by reducing its visibility and autonomy at both national and European levels.

Option 3, improving arrangements for "feeding-in" and "feeding out" between the OMC/SPSI and the Integrated Guidelines for Growth and Jobs without changing the structure of the latter might thus seem to be the simplest and least risky solution. This option could involve formal requirements for Member States to involve social actors (both governmental and non-governmental) in the drafting of their NRPs, to discuss explicitly how their NRPs advance the EU's social cohesion/inclusion objectives (including gender equality), and to incorporate in their NRPs systematic impact assessments of the actual and prospective effects of economic and employment policies on social cohesion/inclusion outcomes. These latter two requirements

could be similarly extended from the national to the European level as components of the Commission's Annual Lisbon Progress Report.⁷ Such reinforced social participation, reporting, and impact assessment requirements are desirable in themselves and would be necessary for the successful operation of any full or partial incorporation of the EU's social cohesion/inclusion objectives into the Integrated Guidelines and National Reform Programmes (Options 1 and 2). But without formal changes in the structure of the Integrated Guidelines, proposals for improvements in “feeding-in” and “feeding-out” are likely to prove ineffective. Thus most Member States have so far largely ignored exhortations from the European Council to highlight “feeding-in” and “feeding-out” in their National Reform Programmes/implementation reports, as has the Commission itself in its Annual Progress Report, and there is little reason to think that this pattern will improve significantly in the future so long as the social cohesion/inclusion objectives remain outside the Integrated Guidelines themselves.

Hence some version of Option 2 (“partial incorporation”) appears to be the most promising approach to strengthening the social dimension of the Lisbon Strategy while preserving the visibility and autonomy of European social policy coordination. This option would involve the incorporation of a new social chapter into the Integrated Guidelines, while maintaining the OMC/SPSI as a distinct policy coordination and reporting process based on the existing set of 12 common objectives for social protection and social inclusion. There are undoubtedly some risks of reducing the autonomy of the OMC/SPSI by incorporating a new social chapter into the Integrated Guidelines. Yet retaining procedural autonomy while sacrificing political influence by remaining outside the core of the Lisbon Strategy is the greater danger currently facing the OMC/SPSI, since Member States are already subject to country-specific recommendations on the reform of their social protection systems under the Integrated Guidelines for Growth and Jobs insofar as these may be deemed necessary for public financial sustainability and/or employment promotion.

But incorporation of a new social chapter into the Integrated Guidelines should be accompanied by organizational changes to the Lisbon Strategy aimed at preserving the integrity and effectiveness of the OMC/SPSI (including that of its three constituent strands) as a distinct sectoral policy coordination and reporting process. These organizational changes would be beneficial for the Lisbon Strategy more generally as it moves into a new phase, and should also be applied to the European Employment Strategy to correct some of the problems experienced under Lisbon II.

Thus the Integrated Guidelines and the National Reform Programmes should be reconceived as the twin apexes of an overarching policy coordination process built up from sectoral OMCs, as sites where conflicting priorities and approaches can be provisionally reconciled, rather than as unified, centralized replacements for the sectoral coordination processes themselves. In this spirit, the National Reports on Strategies for Social Protection and Social Inclusion should be retained as distinct documents preceding and flowing into the National Reform Programmes, along with revived National Action Plans for Employment in conformity with the provisions of the Treaty of Amsterdam. This might be seen from some perspectives as an undesirable multiplication of planning and reporting processes, but as argued earlier, such sectoral specificity

⁷ For a fuller discussion of such proposals for mainstreaming social objectives into domestic and EU policy making through systematic impact assessment (both *ex ante* and *ex post*), see Eric Marlier, A.B. Atkinson, Bea Cantillon, and Brian Nolan, *The EU and Social Inclusion: Facing the Challenges*, Bristol: Policy Press, 2006.

is indispensable for effective monitoring, evaluation, and coordination of complex policy fields such as social protection/inclusion and employment.

To maximize opportunities for mutual learning, Member States should be obliged to report consistently on progress towards each objective and guideline, using common European indicators as far as possible. In keeping with the methodological principles outlined by the SPC Indicators Sub-Group, such common indicators should be outcome-oriented, responsive to policy interventions, subject to a clear and accepted normative interpretation, timely, and revisable. They should also be sufficiently comparable and disaggregable to serve as diagnostic tools highlighting areas for improvement and self-corrective action by national and local actors, rather than as soft sanctions or shaming devices to enforce Member State compliance with European targets.

If a new social chapter is to be incorporated into the Integrated Guidelines for Growth and Jobs, then social actors should also be integrated into the Lisbon Strategy as full partners at EU, national, and subnational levels. Thus the SPC should join EMCO and the EPC in drafting the Guidelines, overseeing the National Reform Programmes, and assessing their implementation, a step which would also strengthen the voice of DG EMPL and the EPSCO Council in their respective dialogues with DGs ECFIN and Enterprise on the one hand, and with the Ecofin and Competitiveness Councils on the other. At Member State level, National Lisbon Coordinators should be associated wherever possible with Prime Ministers' or Cabinet Offices rather than Finance or Economics ministries. Failing that, representatives of Social Affairs ministries should be actively represented in the coordination and drafting of the NRPs. Nor should such participation be confined to central government officials: instead social NGOs and other civil society groups should have a full opportunity to contribute to the National Reform Programmes, alongside the social partners, local/regional authorities, national parliaments, and other stakeholders.

With these organizational changes in place in the next phase of the Lisbon Strategy, European social, economic, and employment policies could at last begin to work together in a mutually reinforcing way to deliver faster sustainable growth, more and better jobs, and greater social cohesion – as originally envisaged by its architects seven years ago.